

## Junta in El Salvador accuses right-wing leader of inciting coup

President José Napoleon Duarte of El Salvador has ordered the arrest of a former major in the national guard for making what he saw as a call for a coup d'état by right-wing military elements. This new threat to the country's centre-right junta seems likely to embarrass American efforts to win acceptance of their support for Señor Duarte.

## Embarrassment for US policy

From Michael Leapman  
San Salvador, March 4

A new threat to El Salvador's centre-right junta came yesterday from the extreme right—and it seems likely to embarrass the United States Administration in its effort to win acceptance of their support for the regime here.

Señor Roberto d'Aubuisson, a former major in the National Guard and twice suspected of trying to engineer right-wing coups, held a melodramatic press conference calling for a seizure of power by army rightists and suggesting that such a coup might be imminent.

Without specifically claiming support for his attempt from the Reagan Administration, he said that he had held discussions with two members of it, naming Mr Roger Fontaine of the National Security Council and General David Gurnea, who was in the transition team but who is not now in office.

But today Mr Frederick Chapin, the United States ambassador, said: "The United States Government supports President Duarte and his Government. We oppose a coup and anyone who seeks to change the Duarte Government."

Earlier today five shots were fired at the American embassy from a white open lorry, causing slight damage but no injuries. Mr Chapin said that "this incident has all the hallmarks of a d'Aubuisson operation—we have no intention of being intimidated."

He did not say why he thought the shots came from the rightists rather than the left, but observers recalled that a similar attack on the embassy from a similar vehicle was made when Señor d'Aubuisson tried to engineer a coup last year.

President José Napoleon Duarte angrily denounced Señor d'Aubuisson at a press conference today, saying he had ordered his arrest for what was "practically a call for a coup d'état". It is thought unlikely, however, that Señor d'Aubuisson is still in the country.

"The extreme right is always eager to coup," the President said. "They want to restore their privilege and are not concerned with the people, only their privileges and their money."

"They try all the time and they will continue trying to coup d'état. But the Government



is not accepting any threats from anyone to change the decision we have made to base our country on justice and democracy. We will look for the solution of democracy whether the extreme right likes it or not."

A rightist coup would not be welcomed by the State Department, always having difficulties justifying to America's allies its support for Señor Duarte's Junta.

Releiving British correspondents in Washington yesterday, Mr Alexander Haig, the Secretary of State, spoke of improvements needed in the present regime.

Those who expect to see progress towards pluralization, he said, "towards the achievement and preservation of human rights, towards the rejection of excesses by the right as well as the left."

Those were not the kind of changes advocated by Señor d'Aubuisson at his clandestine press conference yesterday. Reporters were picked up by one of his aides at their hotel and taken to a house in a suburb of San Salvador, where they were held in a room decorated with laurel leaves. At his side hung a sharp silver dagger.

Speaking with passion and emphasis, he said he had spoken at many army camps and had been told that officers for his criticism of the liberal tendencies of Señor Duarte's coalition, especially of the reforms which broke up large coffee estates to give land to the people. He said this had destroyed the country's

He accused liberals in the regime of treachery in that there was talk of making a pact with the left-wing guerrillas and even of bringing some of them into the Government. He said it was time for a new stage in government

## Front march stopped by Whitelaw order

By Lucy Hodges

Mr William Whitelaw, the Home Secretary, agreed last night to ban all political marches in London until the end of this month after a request yesterday from Scotland Yard.

The ban will cover Saturday's proposed National Front march past the house in Lewisham where 13 blacks died after a fire six weeks ago and a counter-demonstration planned by the Anti-Nazi League.

The ban, under the Public Order Act, 1936, comes into force at 6 am today and will last until midnight on March 31.

The Home Secretary's decision will be widely welcomed by people in Lewisham who were extremely angry that the Front proposed to march past the house, particularly in view of the black community's suspicion that the deaths were caused by a racist attack. The Front proposed to protest against those allegations.

On Monday the demonstration by thousands of black people in London against the police handling of the case showed the strength of those feelings. There were outbreaks of violence and 23 arrests, and 17 policemen were injured.

The police were worried that there could be more racial violence this weekend if the marches were allowed.

At a lunch given by the Foreign Press Association yesterday, before the decision was made, the police would apply for a ban, Mr Whitelaw said he would not hesitate to ban the march if the police convinced him he should do so.

Although there were disadvantages in bans, he said, he could see no reason why the National Front should want to march past the burnt-out house.

He said he was very much concerned by Monday's march, but he did not think Britain's racial difficulties had reached a crisis or that the police had been inactive on Monday.

Mr Peter Nevels, Deputy Assistant Commissioner of the Metropolitan Police, said yesterday: "Nobody in any state of mind would permit a march by a group of that philosophy at the rear of the house where the fire started."

Since 1936 the Public Order Act has been used only 12 times to ban a march. It was used in Sandwell, West Midlands, last August, after the National Front had applied to demonstrate.

Top-level decision: A high political decision that the police should not appear to be protecting the National Front was the key to the Government's ban (our Political Editor writes). That was learnt last night in authoritative quarters.

The Government was relieved to receive the police's advice. After Monday's march through London it wanted to send a signal of concern to the black community and to avert a situation in which, as protectors of public order, they would have been protecting the National Front.



Mrs Thatcher standing silently as some of the demonstrators are escorted by police out of the church.

## Communists heckle Mrs Thatcher in church

By Michael Hatfield  
Political Reporter

Seven members of the Young Communist League yesterday disrupted a luncheon lecture by Mrs Margaret Thatcher at St Lawrence Church, near Guildhall, London, and were escorted from the church by police. The Prime Minister had just started her talk to about 500 people who packed the church when the league members began shouting slogans from seats behind Mrs Thatcher as she stood before the wrought-iron lectern.

Mr Frank Chalmers, aged 25, the league's national organizer, left his seat, mounted the pulpit and harangued the Prime Minister. "You are not a Christian, you are a murderer," he shouted. "We want jobs, not bombs. We want freedom in

El Salvador." Mrs Thatcher remained silent during the heckling but after the demonstrators were escorted from the church she told her audience: "You see why I fight these people."

Outside the church Mr Chalmers said the group was protesting against the murders in El Salvador and the fact that the Government was making cuts in public expenditure but not in defence. The other demonstrators were Mr Martin Chater, son of the editor of the Morning Star, Mrs Monica Kreeft, Mr John Bolger, Mr Philip Dennison and Mr Terry Gallagher.

After the Vice of St Lawrence, the Rev Basil Watson, had thanked the Prime Minister for giving the first of a series of luncheon talks by public figures, and had described the five-minute demonstration

as "disgraceful", Mrs Thatcher replied: "I had felt constrained because I was in a church, otherwise I might have said to them: 'What's wrong?'"

In her speech the Prime Minister said she suspected that only a minority acknowledged the authority of God in their lives. "Perhaps that is why we have turned to the state to do so many things which in the past were the prerogative of the family," she said.

"Why crimes of violence are increasing, and why few people are even suggesting that murders can be justified on the grounds that it is political, a view which must be abhorrent to Christians."

Mrs Thatcher described inflation as an "evil" and said that "of all the difficulties I face, unemployment concerns me most of all."

## England cricket tour goes on

By Our Sports Staff

The England cricket tour of the West Indies will continue as arranged after the Cricket Council, meeting at Lord's yesterday, confirmed the decision of four Caribbean governments, which will allow Robin Jackman to play in the remaining matches. Jackman's sporting rights with South Africa caused Guyana to expel him.

The representatives of Antigua, Barbados, Jamaica and Montserrat, which emerged early yesterday morning from a secret meeting at a holiday centre near Bridgetown, to deliver their statement, which had been held up because of consultations with other Commonwealth countries, agreed to provide limited cover for aircraft in emergency and medical use.

Flights of light aircraft from small airports are unlikely to be affected, but it is possible that pilots will have to take off without refuelling. The Meteorological Office are expected to join the strike, called in protest at a 7 per cent pay offer, and the Government's refusal to give a 15 per cent pay rise to the Civil Service.

Several Scottish airports and airfields will be closed, affecting the operations of helicopters servicing North Sea oil rigs. Cross-Channel sea traffic may also be disrupted. The 1,500 air traffic controllers are members of the Justification of Professional Civil Servants, most of whom have voted to support the action. They are not directly covered by the negotiations on Civil Service pay, which have broken down, but are linked to general pay agreements and have submitted a claim similar to the 15 per cent demand submitted on behalf of all nine Civil Service unions.

The aviation authority said in a statement last night: "The authority deplores the action of civil servants in the Civil Service, to which the authority does not belong; it instructs members of its staff to absent themselves from work."

Flights during the dispute will be cancelled or diverted to continental airports or to Ireland. Airports where there will be no air traffic control services on Monday are: Heathrow, Gatwick, Stansted, Manchester, Birmingham, Liverpool, Cardiff, Belfast, Edinburgh, Glasgow, Aberdeen, Newcastle and the aviation authority's eight Scottish airfields.

Air traffic controllers at smaller airports, such as Luton, Newcastle upon Tyne, Teesside and East Midlands, are members of the National and Local Government Officers' Association (NALGO), which is not in dispute, but it is unlikely that those airports will be able to continue normal operations because aircraft must be supervised by the authority air traffic control services after they leave the control authority of the airport controllers.

Mr Douglas Bush, chairman of the air traffic control officers' branch of the Institution of Professional Civil Servants, said last night that there had been a very heavy degree of support for the strike from controllers throughout the country. He thought it highly unlikely that there would be any civil air transport movement in the United Kingdom.

Silent executives, page 2

## All passenger flights in Britain to be stopped by strike on Monday

By David Pridmore  
Labour Reporter

All important airports in the United Kingdom will be closed on Monday because of a one-day strike by civil servants. There will be no commercial flights in or out of the country for the first time since the last war.

The Civil Aviation Authority advised airlines and air traffic services in other countries yesterday to work on the understanding that there would be no air traffic over the United Kingdom for 24 hours from midnight on Sunday.

Air traffic controllers who have voted to support the national strike, called by unions representing 53,000 civil servants, have agreed to provide limited cover for aircraft in emergency and medical use.

Flights of light aircraft from small airports are unlikely to be affected, but it is possible that pilots will have to take off without refuelling. The Meteorological Office are expected to join the strike, called in protest at a 7 per cent pay offer, and the Government's refusal to give a 15 per cent pay rise to the Civil Service.

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Silent executives, page 2

## Labour MPs urged to oppose Trudeau move

By George Clark  
Political Correspondent

In a confidential document circulated to Labour MPs by the Prime Minister's international department it is recommended that they should vote against the proposals of Mr Pierre Trudeau, the Canadian Prime Minister, for Canada's revised constitution if they come to London in their present form.

This is the first indication of the official Opposition attitude to the request which is expected from Ottawa towards the end of this month.

If Labour MPs join the large number of Conservative MPs who are opposed to the measure so long as there is no agreement between the provincial and federal governments in Canada, Mr Trudeau's initiative will be blocked by the Commons.

It will certainly run into severe difficulties if it gets to the Lords, where a number of peers are prepared to introduce amendments on behalf of the provincial governments in the event of Mr Trudeau persisting in unilateral action.

Yesterday members of both Houses were angry about the Government's reported intention to bring the Trudeau scheme before Parliament in a form that will not amend the preamble of the Bill will have only the choice of voting for or against the complete constitutional package.

The Labour document states: "In the near future, the Government is likely to accede to the request of Mr Trudeau to 'patronise' the powers still retained by Westminster over Canada's ability to amend and introduce her constitution. At first glance, the Labour Party might consider such a request to be perfectly reasonable, given the strength of the anti-centralist tradition within the party."

"Indeed, the position which the party might choose to take on the issue would be quite different if the nature of the request itself were modified. For, not only is Pierre Trudeau asking for the right to amend Canada's constitution in Canada; he is also demanding that our Parliament in Westminster should ratify a new Bill of Rights which he has attached to

his request and pass judgment on the distribution of the wealth retrieved from his country's vast reserves of natural and mineral resources."

Far from being a simple request, the document states, the proposed move is "a shrewd political manoeuvre aimed at reinforcing federal authority at the expense of the provinces."

MPs in London are to take cognizance of the federal nature of Canada's constitution. "Consequently, a unilateral proposal which emanates from the Federal Government alone, and which is opposed by a majority of the provinces must be looked at in some detail or refused until a consensus can be reached."

The Westminster Parliament must accept that it was played in the provinces in the dispute between federal and provincial interests.

The nine-page document outlines the background and describes the political forces at work in Ottawa. Referring to the support given to the Trudeau proposals at the federal level by the National Democratic Party (NDP) and also to the objections made by Mr Allan Blakeney and his NDP provincial government in Saskatchewan, the statement claims that the NDP is divided about 50-50 on the issue.

"There is some resentment of the Trudeau-Broadbent agreement which appears to have been decided unilaterally by Ed Broadbent (leader of the NDP) and the federal parliamentary caucus," it states.

"The unions which support the NDP are generally hostile to the federal government's proposals, and most of the local and provincial leadership of the party are deeply suspicious and sometimes, as in the case of Quebec, openly hostile."

There had been some suggestions that the leadership of the party would renounce the agreement with Mr Trudeau because of rank-and-file pressure. Under the heading: "Conclusion", the document states: "Because the present Canadian Government proposals go far beyond the merger request to patriate the constitution, this paper argues that the Labour Party should oppose such a move at this time."

Letters, page 17

## BL to cut back 24,000 more jobs in two years

BL will cut a further 24,000 jobs in the next two years to put the company back on the road to recovery, according to Sir Michael Edwards, the chairman. His remarks to a Commons Select Committee are certain to evoke widespread opposition among trade union leaders, particularly since a further 59,000 in state aid has just been promised. The car company is expected to show losses of £400m for 1980.

## 'Observer' deal change

An alteration of the deal in which Lorho has agreed to buy The Observer from Atlantic Richfield (Arco) is intended to avoid an extended review by the monopolies commission. Mr Robert Anderson, Arco chairman, said. Instead of receiving a 40 per cent stake in George Oram, Arco will now take 20 per cent and £3m in cash.

## Producer defies Equity

Mr Stephen Kendall-Lane, producer of the London variety show, *The Showbiz*, decided to defy an order by the London Theatre Council to halt Sunday performances, bringing him into conflict with Equity, the actors' union. The council acts as an arbitrating body between Equity and the Society of West End Theatre. Union disciplinary action against the show's cast is expected.

## 500m to watch wedding

About 500 million people are expected to watch BBC television coverage of the marriage of the Prince of Wales to St Paul's Cathedral on July 29. The operation is estimated to cost £150,000 involving 12 mobile control rooms, 60 cameras and 300 people. Mr Cliff Morgan, head of outside broadcasts, said it would be the most spectacular event since the 1937 coronation of George VI.

Leader page 17  
Letters: On Canada's Constitution, from Mr Peter Lloyd, MP, the Jordanian "observer" (our Political Editor writes).  
Leading articles: Energy prices; the Auditor General; Argentina; Features, pages 8, 16  
Michael Binion reviews the party congress in Moscow; Bernard Levin on immortality; The Times Cook.

Arts, page 18  
Joan Goodman meets Michael Apeid, director of Coal Miners' Daughter, which opens in London next week; William Hanna on E.A. Jones; The Covent Garden Obituary, page 18  
Dr Maryon Lloyd-Jones, Miss May Fountain  
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Valerie Mignone reviews the new *Prout*; Anthony Howard on C.S. Lewis; Michael Randle reviews Maurice Sendak; Kenneth Robinson on Clive James; Sport, pages 20, 21  
Reading: Impassive Cheltenham trial; The *Atlantic*; *Daughter* by Kathy Acker; Durham; UAT film; *Boddy*; Cambridge University; captain and secretary lined; Ice skating; Miss Cottrell confirms reputation; Business News, pages 22-23  
Stock markets: Leading equities gained across the sector; the FT Index closed at 590, a rise of 3.8 points; Financial Editor: "Crisis Gold's" rich seam  
Business features: Peter Hill on industry's energy costs; Melvyn Wedlake discusses the effects of the new Government's procurement policy; Ross Davies's Business Diary

## Turkish diplomat shot dead in Paris

A Turkish diplomat was killed and another seriously injured by gunmen in Paris. An anonymous caller later told the French news agency that the attack was the work of the Armenian Secret Army. The dead man, Mr Resat Morali, the Assistant Labour Attaché, is the third Turkish diplomat to be assassinated in the French capital in the past five years. Page 6

## Spending scrutiny plea

The Committee of Public Accounts, Parliament's watchdog on government spending, wants sweeping new powers to promote closer scrutiny in the disbursement and effectiveness of government funds. Its recommendations, which come after a lengthy investigation, include the creation of a national audit office and the widening of the range of organisations subject to audit. Page 3

## Liverpool Ipswich win

British clubs had mixed fortunes in European competitions. In the European Cup, Liverpool beat CSKA-Sofia 3-1 but West Ham lost their European Cup Winners' Cup tie 4-1 to Dynamo Tbilisi. In the same competition, Newcastle County drew 2-2 in East Germany against Carl Zeiss Jena. Ipswich beat St Etienne 4-1 in the UEFA Cup. Page 20

## MPs vote on 'college'

Labour MPs approved by 144-24 a motion put by Mr Michael Foot on behalf of the Shadow Cabinet regarding their right to the fullest say in choosing the party leader. They were renewing their claim, repeated at Wembley, to at least half the electoral college votes. Page 2

Maddie: Coalition seen as the best chance of saving democracy in Spain. Page 6  
Hong Kong: A Special Report highlighting the increasing links between the British colony and China. Page 11-13

Classified advertisements: Personal, pages 24, 25; Crime, 26; Recruitment opportunities, 30; Other appointments, 24

bridge University; captain and secretary lined; Ice skating; Miss Cottrell confirms reputation; Business News, pages 22-23  
Stock markets: Leading equities gained across the sector; the FT Index closed at 590, a rise of 3.8 points; Financial Editor: "Crisis Gold's" rich seam  
Business features: Peter Hill on industry's energy costs; Melvyn Wedlake discusses the effects of the new Government's procurement policy; Ross Davies's Business Diary

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Appointments, 27; Crossword, 22; Letters, 17, 24; Science, 18; 25 Years Ago, 15  
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## HOME NEWS

## Big changes proposed in scrutiny of public funds

By Peter Hill  
Industrial Editor

Sweeping new powers aimed at promoting much closer scrutiny of government spending are advocated by the Committee of Public Accounts, Parliament's watchdog on government spending.

The committee proposes the most fundamental changes in the framework and nature of public accounts since the office of Comptroller and Auditor General was established in 1865.

Key recommendations made by the committee in its report, published yesterday after a long and detailed investigation, include the creation of a national audit office to carry out the functions of the comptroller and his department and a considerable extension of range of organizations subject to audit.

New audit laws are required urgently, the committee says, as the existing legislation is out of date. There is a need to make statutory provision for a framework of public audit to ensure accountability to Parliament for the wider range of public expenditure.

The committee says that Ministers often do not have the information they reasonably need to control their expenditure. That means that the cost effectiveness of public spending is often insufficiently tested. In many cases it is not possible to ascertain accurately what a policy change would cost and there is no clear way of establishing the cost or value of resources being continuously employed in official programmes.

A year ago the Government introduced a Green Paper, which the committee criticized for failing to tackle the fundamental questions about the need for satisfactory accountability to Parliament of public spending, of which the comptroller and his officials audit an estimated 60 per cent.

Among its recommendations the committee suggests that the proposed national audit office should be responsible for the external audit of all government accounts and that of local and health authorities.

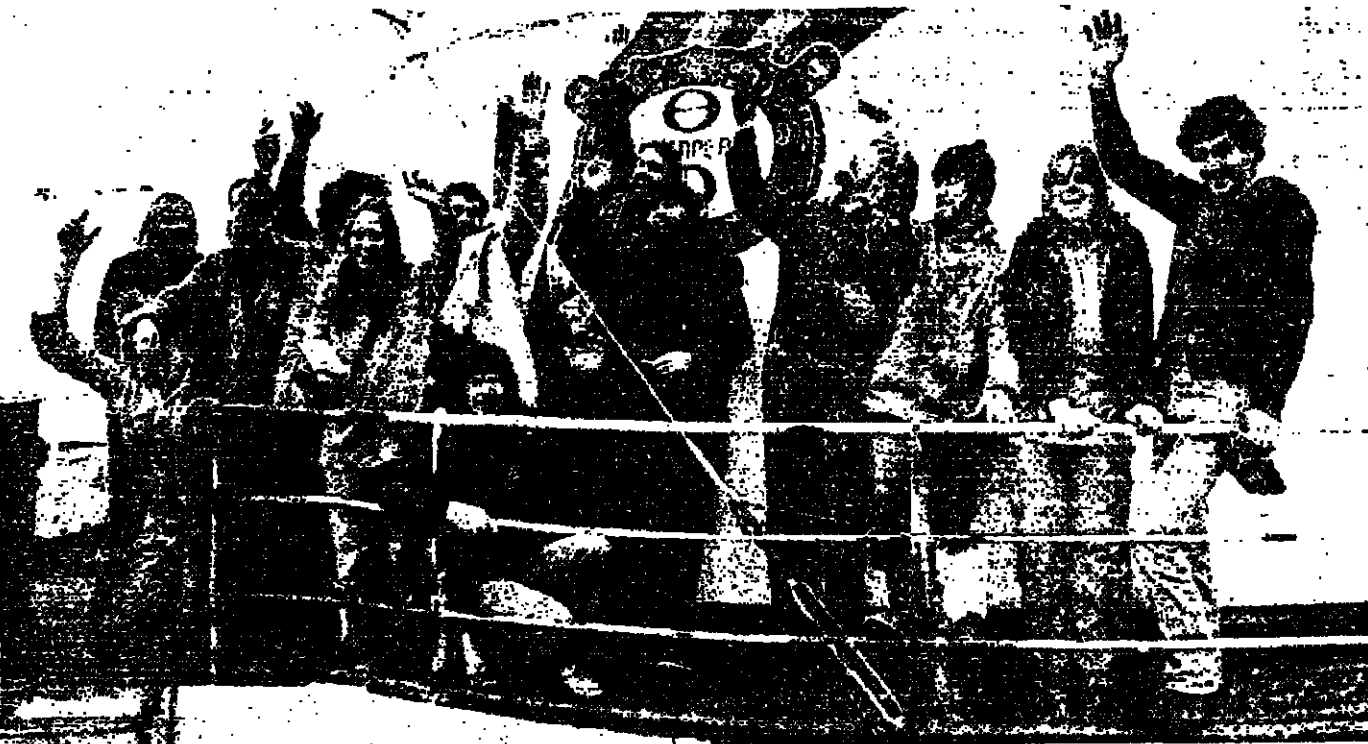
It should also be charged with advising Parliament on the efficiency with which public money is invested in non-departmental bodies, in nationalized industries and in privately owned companies.

That would require full access to the books and records of all the organizations involved, including the National Enterprise Board and the British National Oil Corporation. The office would draw its initial staff of 100 from the Exchequer and Audit Department and the district audit service.

The committee is not persuaded that the "susceptibility of the possible commercial partners to wholly unsubstantiated or unsubstantial fears" should be regarded as a reason to deny the comptroller access to the books of the nationalized industries. It is confident that he would exercise his rights of access with discretion.

Committee of Public Accounts: The Role of the Comptroller and Auditor General, vol. 1, House of Commons paper 115-1 (Stationery Office, £4.20).

Leading article, page 17



Greenpeace mission: The crew of the Rainbow Warrior, who are ready to set sail from Southampton today in an attempt to prevent the killing next week of 15,000 pups of the hooded seal off Newfoundland (Pearce Wright

writes). The ship, owned by Greenpeace, the environmental organization, has been strengthened with steel plates so that it can manoeuvre through ice. The journey to the north-west Atlantic is the most hazardous of the 14 campaigns which Rainbow Warrior has carried out. The area is one in which the Canadian authorities have been criticized for not stopping commercial seal hunting.

Photograph by David Jones

## Political bias by school staff denied by authority

From Ronald Faux  
Glasgow

The tirade against Mrs Margaret Thatcher contained in essays by pupils of Possilpark secondary school, Glasgow, was not evidence of political indoctrination by school staff, the Educational Institute of Scotland said yesterday.

The teacher who sent the essays to the Socialist Worker was not at the school yesterday. He has been severely disciplined by Strathclyde Regional Council for acting in an unprofessional manner.

Mr John Pollock, general secretary of the institute, Scotland's largest teachers' union, said it had not disagreed with the decision to discipline the teacher.

The institute, of which the teacher was a member, agreed it had been wrong to release the essays to the press without consulting the school or the parents of the children. It was also concerned about the nature of the material in the essays.

On allegations by Mr Alan Stewart, Conservative MP for Renfrewshire, East, that the children who wrote the essays had been indoctrinated by teachers, Mr Pollock said: "There is no political indoctrination going on at the school. These views are likely to be the views of children and parents in the Possilpark area of Glasgow."

"The feeling there is very strong indeed about unemployment and the state of the country. I would not be at all surprised to find these phrases being used in Possilpark."

The accusation of indoctrination was also denied by Mr William Harley, chairman of Strathclyde council's education committee, and staff at the school.

## 500m likely to see royal marriage on TV

By a Staff Reporter

EBC coverage of the marriage of the Prince of Wales and Lady Diana Spencer on July 29 will be the most comprehensive outside broadcast operation the corporation has mounted. It is expected to cost £150,000 and attract a worldwide audience of 500 million.

Mr Cliff Morgan, Head of

Outside Broadcasts, said yesterday that the wedding in St Paul's Cathedral would be the "biggest and most glamorous event" since the 1936 Coronation of George VI.

Plans announced yesterday envisage 12 mobile control rooms, 60 cameras, 12 of them inside the cathedral, and a supporting cast of 300.

The main commentary will be by Mr Tow Fleming, a veteran of many royal pageants, including Princess Anne's marriage in 1973 and the Silver Jubilee in 1977.

West Country visit: The Prince yesterday began a three-day working visit to his Duchy lands in the West Country (the Press Association reports).

## Profitable traffic in Ulster's terrorist country

## Cross-border cattle smugglers thrive on sterling's strength

From Christopher Thomas  
Armagh

The customs officer stood in a shallow crater blasted out by the Army many years ago and pondered the thick mud that oozed around his shoes. "New prints," he said, "not more than a day old."

Hoof marks were all around, deep and not yet filled by rain, and were made by perhaps twenty cattle. That meant the common agricultural policy had just been cheated of another £1,200 in one minor, successful smuggling operation across the Irish border.

The setting was in a narrow lane winding through the beautiful hills of south Armagh. The crater and a huge, rusting tank of concrete close to it were reminders that this was terrorist country, where scores of lanes and tracks are sealed by rain.

That makes them conveniently quiet for smugglers. The prints in the mud told their story. The cattle were unloaded from a lorry a few paces inside the Irish Republic, herded through the crater and around the big tank and into a lorry waiting on the other side, in Northern Ireland.

Scouts would have parolled both sides of the border for several hours, driving through the labyrinth of lanes in case the customs men were about. They would have given the all-clear with a call to a telephone box, or by flashing a torch, hanging a red blanket on a

washing line, sending a citizen's band radio message, or by using one of the various devices employed in an increasingly cunning game.

The stakes are high. At this week's prices, all cattle smuggled into Northern Ireland escape a levy of about £63 a head, depending on the weight of the animal, and about £8 for a pig.

Smuggling has been especially rife since last September because of the high value of sterling against the Irish pound. Since then 1,000 cattle valued at £300,000 in United Kingdom prices, have been seized by the Customs and Excise in Northern Ireland. Had they got through, the smugglers would have made about £70,000.

In bureaucratic parlance, "money compensatory amounts" should be paid on cattle and pigs when they move from south to north, to equalize the value of the green pound, the EEC's farming currency.

The odds are probably stacked in favour of the smugglers, but for those who are caught the penalty is high. They lose the animals, a lorry load of which might be worth £3,000, and the lorry.

The Customs and Excise sell them and often the failed smuggler buys back his own cows and lorry.

Cattle from the republic have a numbered metal tag in the left ear which reveals their origin, colour and sex. They

are tattooed as soon as they legally enter Northern Ireland and a new tag is expected to be attached to the right ear within a fortnight.

That helps Department of Agriculture staff to keep a check on incoming stock. But the tags are not difficult to acquire in a nation of farmers, and forging tattoos has not proved a stumbling block.

Once inside Northern Ireland the smuggler can sell the beasts at an excessive profit or take them back across the border, collecting his "money compensatory amount" as he goes.

Pigs are much easier to smuggle but the profits are smaller. The tag and tattoo system does not apply and the same load of pigs may be moved illegally over the border two or three times a day, collecting the compensatory amounts as they leave Ulster at different official crossing points.

A profit of more than £600 on an average lorry load of 30 pigs is possible in a day.

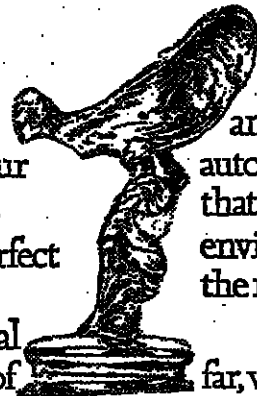
More stringent safeguards are constantly devised in an effort to thwart the smugglers, but the only truly effective deterrent is out of the control of the customs men and the Department of Agriculture. That is for the Irish pound and sterling to move closer together.

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## One in 12 of jobless may be cheating, report says

By Pat Healy

Social Services Correspondent

A government report claiming that social security fraud by the unemployed may be four times as high as previous estimates is to be published soon after the Budget.

It says that a team of officials found that fraudulent claims by the unemployed might be as high as 8 per cent, and that the Department of Health and Social Security should investigate.

That level of fraudulent claims would suggest that more than 68,000 unemployed people are cheating. The DSS, which is believed to have challenged parts of the report, said yesterday that it had no specific data on which to base a percentage figure for the extent of fraud.

The fraud figure is a by-product of a wider inquiry into the administration of benefits for the unemployed under the guidance of Sir Derek Rayner, the Prime Minister's adviser on waste in Whitehall.

The Civil Service unions declined to cooperate with the inquiry, which was widely be-

lieved to foreshadow an end to national insurance benefits for the unemployed.

The inquiry team, led by Department of Employment officials, visited a limited number of offices because of the hostility of the Civil Service unions. It is believed that their fraud figures are based on inquiries at only two benefit offices.

The Rayner inquiry is understood to have produced its 8 per cent figure on the proportion of unemployed people suspected to be drawing unemployment and supplementary benefit while working. That has been known for some time to be the biggest area of fraud, but one on which anti-fraud drives have concentrated in recent years.

The fraud involved is not working while drawing benefit, but not declaring earnings. Unemployed people are allowed to earn 75p a day before it affects their benefit.

That type of fraud, and cases where women drawing benefit are suspected of cohabiting with a man, are the two areas on which the Government's anti-fraud drive is concentrated.

## IQ test before dismissals is abandoned

From Tim Jones  
Cardiff

The management of the Revlon cosmetics factory at night dropped plans to give workers an intelligence test to determine who should be dismissed in company economies.

Union officials threatened to call the 800-strong workforce out on an indefinite strike if the test were made. They will agree to the loss of the 21 jobs in the credit control department only on a firm in, last out, basis.

co-convener of the General and Municipal Workers' Union at the plant, said the "stupid and ridiculous" scheme had been dreamed up by little emperors who believe people are born with a stamp on their foreheads determining their ability. The company refused to give details of the proposed intelligence test.

## Water charges inquiry 'failed to find waste'

The Government's inquiry into water charges had failed to find any waste but had led to financial manipulation which could involve greater cost in the future, Mr Eric Gilliland, president of the Chartered Institute of Public Finance and Accountancy, said yesterday.

Speaking in Birmingham, he criticized the inquiry ordered by Mr Michael Heseltine, Secretary of State for the Environment, after budgets for the water authorities showed increases ranging from 14 to 28 per cent.

As a result of the inquiry by independent accountants, the authorities have trimmed their budgets to reduce the average increase.

But Mr Gilliland, director of finance for the Thames Water Board, said the accountants had to justify their existence by producing suggestions to reduce the rate increases.



## HOME NEWS

## Three men cleared in Bristol riot trial

From Our Correspondent

Three of the 12 people accused of riotous assembly in St Paul's, Bristol, last April were found not guilty at Bristol Crown Court yesterday on the direction of Mr Justice Stocker.

Sidney Clarke, aged 19, Raymond Jones, aged 25, and Nicholas Walkers, aged 25, were discharged on the twenty-second day of the hearing after 14 hours of legal submissions by counsel for all the defendants.

The judge, directing the jury to acquit the men, said: "In the case of Jones, his name has not been mentioned in the prosecution evidence from beginning to end. The reasons for the other two are more technical."

The case continued against eight other men and a woman accused of riotous assembly. The woman is also accused of wounding. Police Constable Christopher Haycock, 34, they have all pleaded not guilty.

More than seventy witnesses have said that a crowd of mainly black youngsters stoned the police, overturned police vehicles and fired and looted business premises after a drink and drugs raid on the Black and White Café, in Grosvenor Road, St Paul's.

Two of the accused elected to read prepared statements rather than give evidence. Paul Binns, aged 18, said he threw "quite a lot of stones" because everyone else was, and he did not want to be the odd one out. He said he also helped to turn over a police transit van, but did not think it was a riot.

Clement Brown, aged 24, said in his statement that he never caused the police any trouble.

The hearing continues today.

## Producer defies order to stop Sunday show and faces Equity action

By Martin Huckerby

Mr Stephen Kendall-Lane, the producer of the "Thirty Showbiz" television show, yesterday defied an arbitration judgment from the London Theatre Council that he should halt Sunday performances of the show, putting him in direct conflict with Equity, the actors' union.

He announced last night that he intends to continue the performances at the Phoenix Theatre, in London, although he realized that Equity would take disciplinary action against the cast. He said the performances were necessary to bring in the box office income necessary to sustain the show.

The Theatre Council, which acts as an arbitration body between Equity and the Society of West End Theatres, agreed yesterday that it would not deregister Kendall-Lane Productions as a producer if the Sunday performances were discontinued. But it said that Mr Kendall-Lane would not accept that condition and had thus demonstrated a willingness to ignore the arbitration judgment.

Mr Kendall-Lane said after the council meeting that 32 Equity members in the show's cast had defied the union by performing last Sunday. He said he would be disciplined now; it could result in their being blacked.

But he hoped the cast would continue and that the public would support the show on Sunday. The cast was given Monday and Tuesday off in return for Sunday work but Equity has always opposed general Sunday opening for theatres.

Mr Peter Plouvier, the

union's general secretary, said there would be talks with the cast today. Performers had earlier been instructed not to work on Sunday.

Impressario to rescue: The open-air theatre in Regent's Park, London, which was in danger of closing after losing its grant from the Arts Council, has been saved for this season by a gift of £26,000 from Mr Peter Saunders, the impresario.

For 48 years the annual summer season staged in the park by the New Shakespeare Company has survived the vicissitudes of the English climate, low-flying jets and variable audiences but Mr David Conville, the company's managing director, said yesterday that they could not have kept going without sponsorship.

He said the company was "absolutely thrilled" by the gift, and was grateful for such a generous offer.

Mr Saunders, who produces The Mousetrap and owns the Vaudeville Theatre, said he had been sad when the council stopped the £26,000 grant to the theatre.

It is a unique part of the London theatrical scene and I do not know of any theatre like it in the world," he said.

Mermaid reopening: The redeveloped Mermaid Theatre in the City of London will re-open on July 7 after being closed for nearly three years, with 110 extra seats, a stage doubled in size, new front of house facilities and a 250-seat children's theatre.

The Mermaid plans to run productions for six weeks at a time. Some will be presented twice nightly, with first houses starting at 6 pm for the benefit of City workers.

## Housing in crisis, 2: Manchester bears scars of spending freeze; Liverpool backs home-own

By John Young

The big overspill town of Wythenshawe, on the southern edge of Manchester, is pleasant enough, having much of the atmosphere of a dormitory suburb with views of woods and distant moorland. It comes as a shock, therefore, to encounter three-storey blocks of flats in peaceful avenues with their windows smashed and entrances boarded up.

The reason is not hooliganism but the Government's action last autumn in freezing all further local authority housing spending. Manchester City Council, about to embark on a programme of modernizing pre-war "walk-ups", which are unpopular because of condensation and because of uncontrolled, was forced to abandon its plans and to leave the buildings empty.

Mr John Smith, chairman of the housing committee, admits: "We are constantly criticised in the local press because of the number of empty council flats. But the contractors insist on the blocks being emptied while modernization is carried out."

Since the moratorium on spending began, we have been able to let any new contracts, the contractors have had to lay people off, we have lost thousands of pounds in rents, and when work does start, it will cost more because of inflation. Where is the sense in it all?

The impact so far on new building projects has not been too serious, he says. In some cases, because of the slump in construction, contractors have been willing to start work and wait until April to be paid.

But, like most other local authorities, Manchester would have probably reduced its new building programme in any case and have spent proportionately more on rehabilitation.



An example of neglected repairs: Houses in Hawthorn Grove, Liverpool.

Whereas more than 55 per cent of all housing in Manchester is municipally owned, Liverpool, particularly in the last few years of Liberal/Conservative control, has placed the emphasis on home ownership. It was one of the first authorities to encourage low-cost buildings for sale on council land.

Indeed, Mr Richard Kemp, the youthful Liberal chairman of the housing committee, claims that most of the Government's scheme for encouraging ownership was borrowed from his party. "They should have been introduced 20 years ago, but ironically it was the Tories who insisted on continuing to build huge council estates. Ideally,

Liverpool should have only about 25,000 council properties, instead of 78,000."

He sees the drive for home ownership as part of a broader campaign to improve the city's class and social balance. "Really we ought to be building houses for rich people," he says in apparent seriousness.

What Liverpool needs above all is more wealthy inhabitants. A dominance of council tenants only fosters the ghetto mentality."

Belief in the benefits of more widespread ownership is not confined to the council, he points out, nor does it show itself simply in allowing private firms to build semi-detached houses for sale on vacant municipal sites. Housing

associations have been equally active.

Liverpool has the most successful programme of housing action areas and general improvement areas in Britain, Mr Kemp says. "The building societies have seen that works, and have been very active."

In the coming year the council has no new building schemes, apart from four slatted blocks for old people. But it had intended a "bill" operation on its 4,000 empty properties and improvement to large estates, such as at Netherley and Belle Vue, which have been seriously damaged. The whole program is now in jeopardy.

Next: Renewal

## New body to aid London travel

By Michael Bailey

Transport Correspondent

A joint "think tank" is being set up by British Rail and London Transport to coordinate public transport fares and services throughout the London area.

It is headed by the two chairmen, Sir Peter Parker, of British Rail, and Sir Peter Masefield, of London Transport. Other members include Mr Geoffrey Myers, British Rail Board member for marketing, and Mr David Coburn, strategic planner, and Dr Tony Ridley and Dr David Quarby, respectively managing directors for rail and bus at London Transport.

A prime aim is joint ticketing

to facilitate through journeys by travellers, for example from Newcastle to Elephant and Castle, in London, with both systems covered by a single ticket purchased from either source. This practice is common in large European cities, but only patchily available in London.

Closer coordination of fares and services, which vary widely even over the same route, is another target, and rationalization to cut out duplication and give an improved service at lower cost.

Better interchange between bus, underground and surface rail is also to be sought, for example by the installation of moving walkways between

places like Euston and Euston Square, and Fenchurch Street and Tower Hill.

Coordination of this kind was long seen as desirable but has been frustrated by the conflicting interests and loyalties of the two bodies, reinforced by their loyalty to different masters, the Department of Transport in the case of British Rail and the Greater London Council for London Transport.

At present central and local government are both conservative-controlled but that will change in May if Labour wins power at County Hall on a platform of lower fares and higher subsidies, conflicting with national policies of financial stringency.

## Convention 'does not give right to ignore union'

By Marcel Berlins

The right to join a trade union laid down in the European Convention on Human Rights did not imply that there was a right not to join a union, Sir Ian Percival, QC, the Solicitor General, argued before the European Court of Human Rights in Strasbourg yesterday.

He was contending on behalf of the United Kingdom Government that the dismissal by British Rail in 1976 of three railwaymen who refused to join a union after a closed shop agreement did not contravene the convention.

"Of course what happened to these men was disgraceful and we have always said so", Sir Ian said. "Of course, there was a violation of human rights in the general sense of those words."

That did not amount, however, to a violation of any right in the convention, he went on. The "heart and soul" of the matter was the interpretation of article 11 of the convention, which protected the right to "freedom of association with others, including the right to form and to join trade unions."

"There is no way it can be spelled out in the words used in the convention that there is a right not to be compelled to join a union."

Sir Ian pointed out that the introduced Employment Act 1980, because it had always strongly opposed the fact that the previous law passed by the Labour government gave dismissed employees no remedy if they refused to join a union for other than religious reasons.

## Recession cuts number of blood donors

By Nicholas Timmins

The economic recession has affected Britain's blood transfusion service. Two regions are running intensive recruiting campaigns for donors, and others are having to reorganize their schedules.

Factory closures, short-time working and redundancies have reduced the number of donors giving blood at work, while hospitals' demand for blood is increasing.

In Manchester a campaign to recruit 20,000 new donors starts this week and in London a campaign spread over five months has been organized to maintain the number of donors.

London's difficulties, which were fairly acute late last year, have been eased by radio and poster advertising.

## Nalco ends Lambeth house sales action

By Christopher Warman

Local Government Correspondent

Union action to prevent the sale of council houses to tenants in the London Borough of Lambeth was called off last night after Mr John Stanley, Minister for Housing and Construction, had told the Commons that it represented "the most serious abuse" of the law.

Members of the National and Local Government Officers' Association had for five months withheld mail containing applications from tenants to buy their homes. The union refused to handle the mail until more staff were taken on to carry out the extra work.

The decision to call off the action was recommended by the union's national emergency committee. Mr Brian Martin, branch assistant secretary, said that all correspondence about house sales, believed to be 300 to 400 letters, would be forwarded with the next few days.

He added that industrial action would continue in other ways. The council has started an inquiry into the matter, directed by Mr Frank Dixon Ward, the chief executive.

Mr Stanley said that Lambeth was one of 15 local authorities being investigated because of their slow progress in implementing legis-

lation contained in the Housing Act.

The others are Bolsover, Bristol, Doncaster, Great Yarmouth, Hull, Leeds, Manchester, Sheffield, Sunderland, Stoke-on-Trent, Wolverhampton, Barking and Dagenham, Camden, Greenwich and Newham.

The Department of the Environment had received about 2,000 letters from tenants complaining about delays, Mr Stanley said. Each complaint was being pursued by the department.

Mr Knight's proposal: Mr Ted Knight, leader of Lambeth borough council, who has in the past refused to contemplate reductions in services, has now proposed a reduction of up to 10 per cent. If approved, that could mean a rate increase of 37.5 per cent instead of 57.9 per cent.

In a letter to members of the Labour majority Mr Knight says that the increase of 57.9 per cent which would be produced if the present council programme was maintained would be "unacceptable to Labour voters and would continue the opposition generated by the supplementary rate."

By reducing spending, Mr Knight believes, services can still be protected and redundancies can be avoided.

Parliamentary report, page 9

Rates injustice, page 16

## In brief

## Farmers predict beef shortage

Farmers gave a warning yesterday of a beef shortage after a government census had shown a reduction in the number of cattle in Britain.

The National Farmers' Union said: "The recent long period of depressed producer returns will lead to future supply shortages. Beef cow numbers are 430,000 below their 1975 peak, and dairy cow numbers have fallen by nearly 100,000 over the past two years."

## More steam services

British Rail is to run more steam trains between York and Scarborough this summer after last year's financial success. Eight restored locomotives will be used on the 84-mile round trip, including the Flying Scotsman and the streamlined Sir Nigel Gresley.

## Archie Gemmill fined

Archie Gemmill, aged 33, the Scottish football captain, who plays for Birmingham City, was fined £60 yesterday at Dumfries Sheriff Court after admitting driving on the A74 in Dumfriesshire last October at speeds of between 94 and 96 mph.

## Petrol strike to end

The petrol shortage in the Republic of Ireland is expected to be relieved this weekend after the executive of the tanker drivers' union agreed yesterday to recommend acceptance of a £23-a-week rise.

## Beatles decline

None of the three members of the former Beatles group will attend the memorial service at Liverpool Cathedral dedicated to the memory of John Lennon, the former Beatle, who was shot dead in New York.

## £100m drugs wasted

Drugs costing the National Health Service £100m a year are thrown away unused, Dr Vaughan Minnier for Health, told pharmacists in London last night.

## Soho rates advice

The Soho Society, in London, has advised residents and traders to apply for rate reductions on the ground that the value of their properties has declined because of the proliferation of sex shops.

## Jessie Matthews ill

Miss Jessie Matthews, aged 74, the actress, is being treated at St Vincent's Orthopaedic Hospital, Harrow, north London, for a trapped nerve in her neck.

## 'Moral mandate' to help the disabled

By Our Political Correspondent  
Mr Dafydd Wigley, Plaid Cymru MP for Caernarvon, said yesterday that he had a "moral mandate" for his Disabled Persons Bill, which seeks to make further provision for access to public buildings for disabled people.

More than half of the 635 MPs have signed the all-party motion calling for legislative action. But his Bill has been blocked during the past three weeks on days allocated to private members' Bills by MPs who have shouted "Object" when there has been a chance for it to go through "on the nod".

A delegation from the all-party disablement group, including Mr Jack Ashley (Lab, Stoke-

## Health planning jobs for wartime opposed

By Annabel Ferriman

War planning officers are being appointed by the health service to draw up contingency plans in case of nuclear attack. A total of £400,000 is being given to regional health authorities for war planning purposes. The grants, of £28,500 each, are to run from April 1. The Department of Health and Social Security is distributing them but they are coming out of the Home Office budget.

The north western authority, the first to seek a war planning adviser, has just advertised in the British Medical Journal offering a salary of between £12,000 and £20,000.

Instructions to regional health authorities were first sent out in 1977 in a circular entitled Organisation of the Health Service for War. Its message was reinforced by the Home Secretary's statement last August that the Government was increasing its commitment to home defence.

Implementation of the circular is being opposed by the 200 community health councils, the watchdogs of the health service.

The Southmead council, Bristol, has passed a resolution saying that the regional area health authorities should not put any time or money in planning for war.

Mr James James, a member of the Southmead Council Health Council and of Avon County Council, who proposed the resolution, said yesterday that it was impossible to plan for nuclear war.

He said doctors in the area supported him and felt instructions in the circular saying that in the crisis period leading up to war all patients should be discharged if hospital, went against Hippocratic oath.

"All these plans are pretence to the population: there is a defence against nuclear war."

But the decision to appoint a war planning adviser in the Southmead region was fended yesterday by its medical officer, Dr A. Lane.

He said that preparing health service for war, a second in importance only planning the country's food supply. Careful planning could save five million lives.

## Public funds plea to support music and drama

By Kenneth Gosling

Arts Reporter

Appeals for more public funds to help the music and acting professions to survive were made yesterday before a Commons committee investigating the public and private funding of the arts.

The Education, Science and Arts Select Committee was given written evidence by the Musicians' Union and Equity, the actors' union, emphasising the gravity of the crisis in both areas.

Equity described the British theatre as "the paupers of Europe" and the musicians submitted that employment opportunities essential to the preservation of the British music profession had seriously diminished in the past year.

"By way of illustration," the union said, "the record industry, which has been seriously affected by the growth of home copying and widespread piracy, is in a serious state of recession."

Mr John Patrick, chairman of the union's national executive committee, said the distribution of Arts Council money favoured a particular kind of music.

## Royal Opera's regional tours at risk

From R. W. Shakespeare

Manchester

The Royal Opera's first season outside London for years could be its last unless local authorities in the Manchester area have a change of heart about the amount of money they are prepared to provide.

Sir John Tooley, General Director of the Royal Opera House, said yesterday that a decision of Greater Manchester Council's recreation arts committee to make a grant of only £5,000 towards the company's three-week season at the Palace Theatre, Manchester, in May.

Sir John said the company had been hoping to receive grant of about £100,000 from the Greater Manchester authority and the Manchester City Council. So far the city council has not decided on a figure for its share of subsidy, but earlier this week Greater Manchester voted to give £5,000.

Even though the season likely to be fully booked it will probably show a loss of about £160,000, Sir John said.

## Lack of work led school-leaver to commit suicide

From Our Correspondent

Preston

Michael Garrety, aged 17, killed himself by jumping from a railway bridge because he was jobless, an inquest was told yesterday.

He was killed as he touched an overhead cable, but a pathologist said his injuries would also have killed him.

The hearing at Preston was told that the boy, who lived with his parents at Penwortham, Preston, left school at 16. Three months later he became an engineering apprentice but was made redundant after six months.

Mr William Garrety, his father, said the difficulty of getting another job was very upsetting to his son, who was trying a government welding course but did not think it would lead to a job.

A verdict of suicide was returned. The coroner, Mr Howard McCann, said: "He was a conscientious young man who had perhaps become the victim of the economic climate."



Chessington Zoo hopes that these ostriches from Zimbabwe will mate, but their sex will not be known until adult plumage grows.

## 120 MPs join campaign for Bill of Rights

By Frances Gibb

About 120 MPs have joined a campaign to press the Government for a Commons debate on a private members' Bill promoted by Lord Wade for a Bill of Rights, due to come before the House tomorrow.

Despite four attempts by Lord Wade to steer his controversial Bill through Parliament, two of which succeeded in the Lords, it has never been debated in the Commons.

Mr Alan Beith, MP for Berwick-upon-Tweed, the Liberal's Chief Whip, is leading a campaign for sufficient support to ensure that the Government does not "object" to the Bill's second reading.

He has tabled an early day motion calling for a debate on the Bill, which has attracted 119 signatures, including Liberals, members of the new Councils for Social Democracy and many Conservatives.

Mr Beith said yesterday: "It is outrageous that this Bill on a matter of major importance has gone through the Lords twice, commanding the support of many eminent peers and lawyers, and yet has not even been debated."

Mrs Margaret Thatcher had promised all-party talks on the issue before a debate but they had failed to take place, he said. "Many members of the Government have in the past

talked about the need to safeguard the individual's rights, but all that now seems to be forgotten."

Although no Labour MPs have so far signed the early day motion, it is supported within the party.

The Bill would make the European Convention on Human Rights enforceable in British courts. At present, although Britain is a signatory to the convention and in January renewed the right of individuals to petition the European Commission of Human Rights, its articles are not part of British law.

Mr Beith said the Bill was important to safeguard rights in Britain.

## Inquiry demand after security services error

By Our Political Staff

A full Home Office inquiry and a report to Parliament on the case of Mrs Jan Martin, about whom the security services passed false information to a private employer, were demanded last night by Mr James Wellbeloved, Labour MP for Bexley, Erith and Crayford.

Writing to Mr William Whitelaw, the Home Secretary, he said an apology for Scotland Yard was not enough.

The country was entitled to an assurance that the security services and police had a system "in efficient hands".

Mr Jeffreys alleged that Mr Campbell was the chief organiser of the plan and that with his assistance Mr Campbell made trips to Ireland to recruit Robert Storey and the fourth man.

Mr Campbell, aged 39, and the other accused all deny conspiring between March 25 and December 13, 1979.

The others are: Mr Campbell, aged 38, of Holland Park, west London; Mrs Farrar, aged 34, of Southgate, north London; Jacqueline O'Malley, aged 31, of Notting Hill, west London; Mr Glenbow, aged 47, of Holland Park; Christine Keenan, aged 44, of Northern Ireland; and Mr Storey, aged 24, of Holland Park.

Mr Campbell, Mr Glenbow and Mr Storey also deny three charges of possessing firearms. The hearing continues today.

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**I**N the picture above you see what used to be the Troxy Cinema. It is now the London Opera Centre. Situated far down the Commercial Road, it isn't really central to anything. Yet for the past 16 years this is where Covent Garden operas have been rehearsed, a good hour's journey from the Royal Opera House itself.

The Royal Ballet fares no better. It rehearses in Hammersmith, several miles in the other direction.

The massive sets in which the artists appear can be found, if you know where to look, stacked in more than a dozen warehouses all over London and as far away as Maidstone in Kent.

It all points, obviously, to lack of space. There is no room backstage at the Royal Opera House, Covent Garden. There is no room to rehearse, no room to make up, to wash or to change, no room to eat, to relax, to store the hundreds of costumes. There is no room to change scenes.

#### THE BACKSTAGE DRAMA.

Every measurement comparing Covent Garden's backstage facilities with those of other major opera houses in Europe and the USA shows our own to be unbelievably impractical.

With a performing stage hardly smaller than that of the Metropolitan Opera House in New York, Covent Garden has less than one-third of the Met's dressing-room and rehearsal space.

The Met has 17,500 square feet of rear and side stage in which to manipulate vast operatic sets during performances and between productions. Our Royal Opera House has no rear stage and no side stage at all.

Conditions which a Parliamentary sub-committee described as "appalling" over 10 years ago have to be enormously improved if the Royal Opera House is to carry on functioning. These improvements entail an initial development plan that will cost at least £9 million.

The Royal Opera House Development Appeal, launched early in 1979, has already raised considerable sums from HM Govern-

## The Royal Opera House, Covent Garden, urgently needs funds for modernisation.

ment, the Greater London Council and private sources. These last have ranged from the pocket-money of young ballet and opera lovers to the thousands contributed by trusts and private companies, including 20 German firms operating in Britain.

The total needed was £78-million. Incredibly this was reached by November 1980. But, because of inflation, every month's delay has added £60,000 to the original building costs.

Phase One of the development, for which the balance of £850,000 is so desperately needed, will provide behind the existing Opera House a building almost as large again to accommodate opera and ballet studios, a chorus rehearsal room, dressing-rooms, an opera wardrobe, offices, improved wardrobe maintenance, general storage facilities and a stage-door complex. A later phase, for which further funds will be needed, will at last provide side and rear stage facilities and includes the reconstruction of about half the adjacent Floral Hall.

#### BRING YOUR OWN CARPETS.

Nothing has yet been said about working conditions during performances. Prima ballerinas and prima donnas (one of whom gamely brings her own carpets and curtains) are provided with embarrassingly mean dressing rooms that would disgrace the sleaziest of hotels, with the nearest shower and lavatory two flights of stairs away.

Inevitably the chorus comes off even worse. For a really large production as many as 100 members of the male chorus have to share a washroom with only four showers and 13 hand basins discharging into an open drain.

And so it goes on. And so, miraculously, do magnificent productions. Night after night out of the backstage chaos comes - sometimes with tellingly long pauses between scenes - the illusion that all is well at the Royal Opera House, Covent Garden. The audience, at least, may count itself blessed. E. M. Barry's superb auditorium defines for many people throughout the world what an opera house should be.

#### FOR THE PRICE OF A TICKET...

Our Appeal has already raised over £8 million from numerous small donations as well as from a few very big ones.

Please don't feel that the final £850,000 is hopelessly out of proportion to what you can afford. Anything at all will help - the price of a ticket, say.

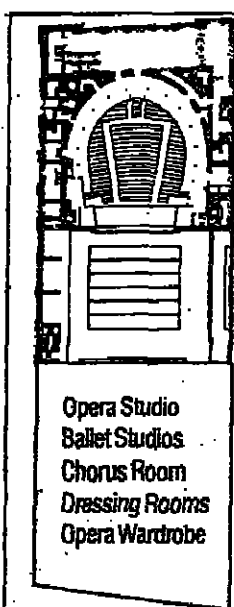
Gifts of covenant greatly increase the value of any donation. For example, £20 covenanted over four years is actually worth £100 to the Opera House. Or four companies each covenanting £1,000 will actually be giving £20,000 between them.

You can have more information about our plans and about covenants and interest-free loans from the address below. Or you can telephone 01-240 1200.

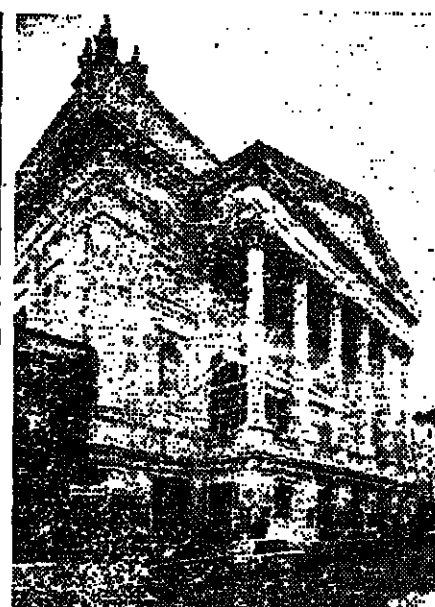
If you would simply like to send a cheque, please make it payable to Royal Opera House Development Appeal and send it to Director, Royal Opera House Development Appeal, Covent Garden, London, WC2E 7QA.

### Royal Opera House Development Appeal.

(Registered Charity No. 21177)



Opera Studio  
Ballet Studios  
Chorus Room  
Dressing Rooms  
Opera Wardrobe







Herr Franz Josef Strauss settles for mineral water before a speech yesterday at Passau in Bavaria. His wife, Marianne, tries something a little more Teutonic.

## Coalition seen as best chance of saving the Spanish democracy

From Richard Wigg

Madrid, March 4

Señor Leopoldo Calvo Sotelo, the Spanish Prime Minister, is under pressure to form a coalition government in order to meet the problems raised by last week's attempted military coup.

Señor Calvo Sotelo chose last Thursday, when forming his administration, to continue with the Suárez ministers, all from the Centre Democratic Union (UCD).

But today, as he met various political leaders, both Señor Felipe González, the Socialist secretary-general, and Señor Manuel Fraga, leader of the conservative Democratic Coalition, spoke in favour of a coalition.

Leaders of industry and the business community, previously opposed to the Socialists in government, appear to be more in favour of a coalition. They see it as the best way that Spain can demonstrate its attachment to the European democratic model and the European Community.

Today, Señor Calvo Sotelo first saw Señor Jordi Pujol, Chief Minister of the Generalitat, the Catalans' autonomous regional government. The Socialists are said to be thinking in terms of five Cabinet posts if they are invited to join with an equivalent number of civil governorships—the Spanish version of the prefectorial system in the provinces.

Señor González, in an interview with *El País* the independent daily, said it was clear that Spain's democratic neighbours were "not doing all they could" to help save this country's new democracy.

But he also said that any Spaniards who might sympathize with the plotters must realize that another dictatorship would cost Spain its links with the democracies and its hopes of European integration. The Socialists would be making big sacrifices in a coalition, he said, but he gave EEC membership and the strengthening of Spain's democratic institutions as prime reasons why all political forces now had to make an effort to agree a programme of government until 1983, the date fixed by the constitution for the next general election.

Señor Fraga, who argues for a "government of national salvation" as the answer, said that a broad-based government would not upset the military and was the only way to prevent a new anti-constitutional attempt to seize power.

If things simply went on as before, he warned, Señor Calvo Sotelo there would be a new attempt to seize power because the causes which led to the attempted coup—terrorism and the absence of proper communications between politicians and the military and the King—would remain.

The Prime Minister rejected the Socialist leader's first public offer during the Cortes debate last week, preferring the formula of concerted cooperation on certain basic issues, notably strengthening the democratic state.

He may feel obliged to continue this approach for party reasons but Señor Calvo Sotelo is a pragmatist.

In the past few days King Juan Carlos has twice urged

Spanish politicians to sink party differences. In his audience with the leaders after the attempted coup he gave a warning that the monarchy could not always be intervening, a clear call to the politicians to shoulder their responsibilities for saving democracy.

The coalition idea has gained approval, ranging from the communists, who have offered to support a coalition from outside, if the Socialists join to ABC, the conservative monarchist daily, which has spoken in favour of a coalition twice in three days.

Prosecutions approved: Spanish publications that approved last week's coup attempt are to be prosecuted. Señor Justo María Gil Albert, the state prosecutor announced in Madrid today.

He also said that right-wing extremists who chanted slogans supporting Lieutenant-Colonel Antonio Tejero Molina at a public meeting last Sunday in Murcia, will be prosecuted. Colonel Tejero led the take-over of the Cortes—Agence France Presse.

Officers indicted: With right-wing terrorists threatening an atrocity in the northern Basque country, military authorities indicted 23 right-wing officers today for their part in the attempted coup.

The Spanish Basque battalion, blamed for 21 assassinations last year, claimed the killing of a worker yesterday and threatened a mass attack that political sources said would spur the military into new rebellion.

We are organized to kill 200 of the most prominent nationalists in the night of an anonymous telephone caller told the newspaper *Deia*. He also said: "Long live Spain and long live Tejero."—UPI.

## Terrorists shoot Turkish diplomats

From Charles Hargrove

Paris, March 4

Armenian terrorists struck again in Paris today. A Turkish diplomat was killed and another seriously injured by two gunmen at a public meeting in the Rue Amelot, near the Bastille.

An anonymous caller later informed the French news agency in excellent French that responsibility for the killing was claimed by the Armenian Secret Army for the Liberation of Armenia. "Our struggle is against the fascist regime and will continue until the complete liberation of Armenian territories," the caller added.

The shooting took place when three members of the Turkish Embassy staff left their offices in an annex of the embassy which deals with Turkish workers in France and were getting into their parked car on the corner of the Rue Amelot. One was already in the driver's seat and the others were about to get into the car when two men opened fire with automatic weapons. Witnesses said that they fired about 10 shots. One of their guns was fitted with a silencer.

Mr Telli Ari, aged 35, the Assistant Labour Attaché of the embassy, collapsed on the spot. The other two attempted to escape and one succeeded in taking cover in a shop near by. But Mr Resat Morali, aged 37, the Labour Attaché, fell a few yards away, fatally injured. The two men fled on foot in the direction of the Bastille Metro station.

A few minutes later police arrested a young man at the station who was found to be in possession of a revolver. But it was later established that the calibre of his weapon did not correspond to the numerous bullet marks found on the vehicles and its barrel was cold. He was not an Armenian. He was detained for further questioning.

Mr Resat Morali was married to a Frenchwoman and had three children. He had been in France for 12 years. He is the third Turkish diplomat to be assassinated in the French capital in the last five years by the same organization which has also been responsible for bomb attacks against Turkish organizations in Paris.

The attack clearly demonstrates the existence of a secret Armenian terrorist organization, Mr İlhan Evliyavlu, the Tourism Minister, said. He said the French authorities "have failed to take necessary measures to prevent such attacks."

He called on France to "take immediate and effective measures."

Dali works stolen

Paris, March 4.—Salvador Dali's paintings worth £54,500 were stolen from a left-luggage locker at a Paris railway station, police said today.

## Islamic peace mission returning to Saudi Arabia after presenting proposals to Tehran

From Tony Allaway

Tehran, March 4

An Islamic peace mission was due to return to Saudi Arabia tonight after presenting "basic elements" of a proposal to end the five-month Gulf war to the leaders of both Iran and Iraq.

The 12-member mission, representing Muslim countries and the Palestine Liberation Organization, left for Baghdad this afternoon after a brief stop-over in Tehran.

Sources close to the talks said that much at this stage depended on the response of the Iraqis to the proposals. As they required an immediate Iraqi withdrawal after a ceasefire, the sources were not optimistic.

The official Pars news agency reported that after arriving from Saudi Arabia this morning the delegation met Iran's Supreme Defence Council and presented a "plan to end the war."

Rather than a plan, however, they presented "basic elements of a settlement of the

dispute," in the words of a diplomatic source close to the negotiations.

The source added that the plan involved supervision by neutral "Islamic observers" of a ceasefire and consequent withdrawal of Iraqi troops to borders fixed under the 1975 Algiers agreement.

Negotiations would then be held to revise that agreement, also with Islamic mediation. The source said that the delegation had suggested separating these negotiations from those between the two countries which would take much longer.

The delegation suggested that the wayward could meanwhile be supervised by independent observers to ensure free navigation.

The matter of the three Iranian islands at the entrance to the strategic Hormuz Strait at the mouth of the Gulf, which Iraq has insisted should be returned to Arab control, has not been brought up, the source added.

Despite the plethora of hard-

line statements from Iranian officials in recent days, the delegation has been encouraged by Iran's response in the talks themselves.

"To a man everyone has been quite moderate," another source close to the negotiations said. "Only the President has spoken for the Iranians but none of the hardliners on the Defence Council have indicated any dissent. I really do not understand all these public positions. They are quite different from reality."

One such statement came from Mr Muhammad Ali Rajai, the Prime Minister and a member of the Defence Council, to-night after the delegation had left. He said: "We shall fight on and resist until the aggressor is identified and punished until it is completely certain the aggression has ceased and its effects removed."

The reality itself is that the proposals as they stand would be very much to Iran's gain and Iraq's loss. The diplomatic sources conceded that they would represent a "moral victory for Iran."

## World View by Arrigo Levi

### Time Nato reassessed alliance relationship

This is a time for a general review of political strategies and operational mechanisms in international affairs. The global balance of power and the map of the world have undergone substantial changes. A renewed examination of accepted truths.

The latest such effort, already reported on by Richard Davy in this newspaper, is the joint report of the principal foreign affairs institutes of Britain, France, West Germany and the United States.

In reading their analysis one is struck by its similarity with most other reviews of the world situation undertaken by experts and governments in the past couple of years. This is a good sign. It signals the gradual emergence of a consensus in the West.

There is a consensus, first, in the assessment of those fundamental changes that affect Western security: the relative increase in Soviet military power, the explosive mixture of Soviet weaknesses and strengths; the almost uncontrollable instability of the Third World; and the high degree of Western dependence on resources in areas no longer controlled by the West.

There is also widespread agreement (though with some American reluctance to concede this fact) about United States inadequacy to guarantee the world balance of power and Western security as it has done in the past almost by itself or with a limited amount of allied support in some areas (mostly Europe).

From such premises the four authors correctly draw the conclusion that a new alliance relationship must come into being.

Less than a year ago in London Mr Kiichi Miyazawa, the Japanese statesman, emphasized all these points, which are common to most Western analyses, and suggested in a great speech that the making of Western foreign policy should become "a collective exercise."

The four authors go beyond this assessment. "First, they suggest that Europe should take a military role beyond Nato borders, and that Europe and Japan should directly support the United States presence in the Gulf."

The report also makes two main proposals on policy coordination. The first is that the seven nations summit meeting should be devoted to political as well as economic affairs and that permanent secretaries should be appointed to coordinate their work.

The second is that groups of "principal nations" should deal with particular conflict

## Peace move in Qantas dispute fails

From Douglas Aiton

Melbourne, March 4

After 19 days and protracted efforts to reach an agreement, the dispute over Qantas Airways has still not been resolved. Early this week, because of the severely disrupted operations of the airline, the Australian and New Zealand governments brought in the Royal Australian Air Force to rescue stranded holidaymakers in both countries.

Last night in Sydney, Mr Andrew Peacock, the Industrial Relations Minister, Mr Cliff Dolan, President of the Australian Council of Trade Unions, and Mr Keith Hamilton, chief executive of Qantas, met in a hotel to try to reach a settlement. Today it was believed that the settlement had been achieved but it emerged that something had gone wrong when the parties confronted each other at the Arbitration Commission.

The decision by Mr Peacock to involve himself in the dispute for the first time came after yesterday's close vote by striking unionists to stay out.

The dispute between the Australian Council of Trade Unions and Qantas arose more than two weeks ago when the union organization banned the airline's new 747 special jets for 12 days as "punishment" for the alleged use by Qantas of non-union volunteer staff during an earlier dispute with stewards. Qantas refused to accept the ban and suspended staff who refused to work on the aircraft, leading to about 4,000 employees walking out or being suspended.

Aircraft refuellers, who are members of the Transport Workers Union, blocked Qantas operations 10 days ago over the suspension. The airline has been forced to obtain extra fuel overseas to keep its services flying from the region. Qantas today placed advertisements in all the main Australian daily newspapers setting out its side of the case.

## Nkomo guerrillas talking of revolt, Mr Mugabe says

From Stephen Taylor

Salisbury, March 4

Former guerrillas loyal to Mr Joshua Nkomo were still considering revolt against the elected authority of the Government, Mr Robert Mugabe, Zimbabwe's Prime Minister, told Parliament today.

"Mutinous elements" of Zimra, the military wing of Mr Nkomo's Patriotic Front, for the clashes in Bulawayo and the Midlands last month in which more than 200 people were killed.

Answering questions in the House of Assembly, Mr Mugabe

## UN accused of bias during Namibia debate

From Our Own Correspondent

Johannesburg, March 4

Western hopes of reviving the United Nations settlement plan for Namibia have taken another knock following strong attack on alleged United Nations bias in favour of South-West Africa People's Organization (SWAPO) by leading member of the international-based, multi-racial Democratic Turnhalle Alliance (DTA).

Speaking after the expulsion earlier this week of the South African representative from the General Assembly debate, Namibia, Dr Ben Africa, DTA's vice-president, said an organization regarded as "racist" should not be allowed to participate in the debate. He said impartiality did not seem possible following rejection of South Africa's credentials by the United Nations.

"We must not look for other ways to make our country independent," he said.

## Agreement near on Caribbean conservation pact

By Tony Samstag

Scientists and lawyers from more than 20 countries in the Caribbean have agreed on a 33m (£14m) conservation programme for the region. The decision, taken at the end of a five-day meeting in Managua, Nicaragua, last week, is expected to be ratified by a ministerial conference in Jamaica next month.

Of 66 nations, 25 considered at last week's conference, 25 were defined as "high priority" of common interest to the region to be implemented over the next three years, according to a statement by the United Nations Environment Programme.

Immediate action was recommended for oil spill prevention, watershed management, a technical survey, and environmental education at secondary and university level in the four languages of the region: Dutch, English, French and Spanish.

The conference also approved the creation of a Caribbean trust fund, to which most of the countries in the region would contribute.

Similar regional agreements have been signed by governments in the Mediterranean and the Gulf.

## Kabul hijackers free women and children

Islamabad, March 4.—The hijackers of a Pakistani airliner with 148 people on board set free 27 women and children at Kabul airport today.

A Pakistani plane was hijacked by the released hostages was released landing permission. Kabul was forced to return to Pakistan. No reason was given.

The negotiations for the release of the passengers have run into diplomatic difficulties caused by Pakistan's refusal to recognize the Soviet-installed Afghan Government, diplomats in Islamabad reported.—Reuters

## Christmas Island phosphate deal

Wellington, March 4.—New Zealand is to hand over Christmas Island phosphate mining operations to Australia.

The agreement, which is subject to ratification by the British Government, Mr Duncan MacIntyre, the deputy Prime Minister, said today.

New Zealand would have the right to purchase up to half the island's phosphate output. At present the British Phosphate Commissioners undertake the mining operation as managing agents.—Reuters

## Editors charged with spreading false information

From Our Correspondent

Valletta, March 4

Mr Michael Schiavone, the acting editor, and his brother Mario, a reporter of *Il Nazzion* Tgħba, the newspaper of Malta's opposition Nationalist Party, were charged today with the spreading of false information.

Mr Charles Grech, the editor, and Mr Victor Aquilina, a reporter of the independent daily *The Times*, as well as Mr Michael Mallia, the company's manager, were also charged in a magistrate's court with spreading false information.

The charges emanate from reports carried by the two newspapers last month about the alleged throwing of an explosive at a group of industrialists as they left the offices of the Federation of Industries.

Mr Mallia is understood to be one of the industrialists in the group and his charge includes the passing on of a fragment of explosive to a newspaper, which was unauthorized to receive it, thus hindering the investigation.

## Tax returns burnt

Paris, March 4.—A grudging taxpayer was blamed today by police for a fire which destroyed 300 income-tax returns in a Paris town hall letter-box.

## Doctors at abortion clinic given jail sentences

From Our Own Correspondent

Eight doctors from a Paris clinic were given prison sentences today for carrying out abortions after the legal limit of 10 weeks, for exceeding the legally permitted number of abortions in the clinic and for charging excessive fees for the operations.

The verdict was greeted with protest in the public gallery. The heaviest sentence was six years imprisonment and a fine of 120,000 francs (£10,000). Five of the sentences were suspended.

In his summing up, the public prosecutor condemned the practised illegal abortions habitually. He rejected the political argument that the clinic had dealt with cases of distress which state hospitals refused to handle.

Defence counsel for one of the doctors had earlier said in court that the law legalizing abortion under strict conditions was the only big reform of President Giscard d'Estaing's

## Greek publisher arrested at Athens airport

From Mario Modiano

Athens, March 4

Mr Michael Kouris, a Sunday newspaper publisher, was arrested at Athens airport today while attempting to leave the country, just before the Appeal Court here confirmed his two-year prison sentence for defamation of Mr George Rallis, the Prime Minister.

The court upheld the verdict of a lower court which ruled that Mr Kouris's paper *Avriani* had slandered Mr Rallis by claiming that he had used his influence to lower the customs duties on sportswear imported and sold in Greece by his wife's firm.

The court accepted that the custom's classifications had remained unchanged since 1962, when neither Mr Rallis was Prime Minister, nor Mrs Rallis was in the sportswear business.

Mr Rallis who took the stand at today's hearing, accused Mr Kouris and his newspaper of trying to undermine his prestige as Prime Minister by resorting to calumnies.

While he spoke a slight earthquake caused a shower of plaster dust to fall from the ceiling, already damaged by last week's severe shock. This prompted pleas by the lawyers that the law courts should be moved elsewhere.

The defence lawyers walked

out of the courtroom when the appeal judges rejected their request that Mr Rallis should be asked to produce some articles of sports wear to establish the difference in the customs classification.

With them went Mr Kouris, who drove directly to the airport in an attempt to fly abroad. He was detained on the ground that a court sentence had been passed on him.

Mr Ioannis Stamoulis, his counsel, said tonight that his client had been illegally detained at the airport for one and a half hours before the court's verdict was passed.

Mr Kouris was later escorted to Korydallos prison, near Piraeus, to serve his sentence. His brother, Mr George Kouris, the publisher of the daily newspaper *Avriani*, was also arrested.

He was sentenced to four years imprisonment for suggesting in his newspaper that President Karamanlis, when he was Prime Minister, had misappropriated a cheque of 55m (12.3m) donated by Mrs Christina Onassis in aid of the Greek armed forces. Proof was produced in court that the donation had been recorded in the state budget.

Mr George Kouris, who had also walked out of the court during the hearings last December, later left the country clandestinely.

## Italians lose their faith in the political system

From Peter Nichols

Rome, March 4

Parties and politicians head the list of what the public feels is wrong in Italy and needs to be changed, according to an opinion poll.

A long way behind come the comparatively minor irritants of inflation, crime, terrorism and unemployment.

The inquiry by the Doxa survey as conducted in December and at a time when political life is passing through a period full of uncertainties.

Various suggestions have been put forward in the past few months to bring some vitality to the political scene. They include the Communist decision to abandon the idea of seeking a place in a coalition with the governing Christian Democrats in favour of working for an administration actually led by the Communists, the Socialist bid for the prime ministryship which until now has been a Christian Democrat monopoly and most disturbing of all to the politicians, the

proposal put forward by Signor Bruno Visentini, chairman of the Republican Party, for a government free of ties with any party and much more independent of the parties which would seek individual majorities on issues as they rose.

The state of opinion reflected in the Doxa survey in part accounts for the somewhat desperate fertility with which these ideas are blooming.

More than four fifths of those questioned thought that the state was doing badly and less than 5 per cent thought it was doing well. On the serious and honesty of ministers, only 3 per cent thought all was well while almost 85 per cent thought that the ministers carried out their duties badly, of whom 57 per cent went as far as saying very badly.

Most striking is the speed with which faith in the system has disappeared. In 1967, only 25 per cent felt they had a badly functioning state. Since then the proportion has more than doubled.



OVERSEAS

## Poles promise Soviet leadership swift action to end anarchy

From Michael Dinyan  
Moscow, March 4

President Brezhnev and senior colleagues in the Soviet Politburo today held what amounted to a summit meeting with Mr Stanislaw Kania, the Polish party secretary, General Wojciech Jaruzelski, the Prime Minister, and other key figures in the Polish Communist Party. At the meeting the Poles gave a pledge that they would act swiftly to overcome anarchy and disorder in their country.

Mr Kania, who was in Moscow for the Soviet party congress, left for home afterwards, and the last of the East European leaders to go.

In a lengthy communiqué published this evening both sides said they called imperialism and internal reaction were hatching the political and economic crisis would lead to a weakening of communism in Poland and abroad. This therefore made a "firm and resolute rebuff" to "any dangerous attempts" particularly pressing.

In a specific evocation of the so-called Brezhnev doctrine, they declared: "The socialist community is inseparable, the defence of it is the cause not only of each state but also of the entire socialist coalition."

The communiqué said the Soviet people had confidence that Poland would be a "reliable link" in the socialist community, a clear reference to its important position in the Warsaw Pact.

Both sides agreed that the Polish party had the strength and possibilities to turn the course of events and eliminate the dangers hanging over what were called "the socialist gains of the Polish people".

In his address to the congress last week, Mr Kania made a strong plea for Poland to be allowed to solve its difficulties on its own, saying his party had the strength to prevent counter-revolution in the country. By contrast, Mr Brezhnev had earlier spoken more ambiguously about not abandoning the Soviet Union's ally in its hour of need, and he declared that the "pillars of socialist society" were in peril.

Mr Brezhnev had been expected to hold talks with Mr Kania, as he has done with all the East European leaders who attended the congress, except President Nicolae Ceausescu of Romania. But this meeting was clearly of greater importance. Present with Mr Brezhnev were all those Politburo members with direct responsibilities

for areas where the Russians feel at risk in Poland pose a threat: Mr Nikolai Tikhonov, the Prime Minister, Mr Yuri Andropov, head of the KGB security police, Mr Mikhail Suslov, the guardian of communist ideology, Mr Andrei Gromyko, the Foreign Minister, Marshal Dmitry Ustinov, the Minister of Defence, and Mr Konstantin Rukhlov, the party secretary responsible for relations with other ruling parties.

The communiqué spoke of a "common approach" of both sides to the Polish crisis, and the "heated" atmosphere at today's meeting.

Nevertheless, there are indications that the Russians are still far from happy with the situation in Poland in spite of the present lull, and with their party congress now out of the way, are in a better position to urge the Poles to take tougher measures to restore things to what Moscow regards as normal. Moscow's viewpoint was undoubtedly put strongly at today's meeting.

Demands for reform: Containing the tide of demands, some of which would change the basic concerns on which the Polish Communist Party has been resting for decades, has become the paramount element in the discussion between the central party authority and the rank and file. (Dessa Trevisan writes from Warsaw.)

The Polish workers' revolt of last summer has provoked a soul searching debate within the party's three million members and meetings preparing the agenda for the ninth party congress are calling for fundamental changes to give the grass roots more control.

The question is how far can the Communist Party go in reform. Already it is clear that the divisions have not been bridged. The plenary session of the commission entrusted with preparing the congress press with representatives from the regions, which was due to be held next week, has been postponed.

There are three main trends. The leadership under Mr Stanislaw Kania is convinced of the necessity for reform. The reluctant conservatives entrenched in the vast bureaucratic apparatus are fighting a rear-guard battle. The rank-and-file majority, according to opinion polls, is pushing for transformation but is still sceptical of how far in fact this can be carried through.

## Fresh Libya threat to kill enemies

From Robert Fisk  
Beirut, March 4

Colonel Muammar Gaddafi, the Libyan leader, appears to have sanctioned a renewal of the international assassination campaign against opponents of his regime.

In a speech to mark the fourth anniversary of "people's congresses" in Libya this week, he declared that the masses have the right to liquidate their enemies at home and abroad.

Last night, Tripoli radio carried a statement saying that Libyan revolutionary committees had "reaffirmed their determination to continue the physical liquidation campaign against the enemies of the people at home and abroad".

The colonel's words should not, perhaps, be taken too literally. The Libyan leader uses rhetoric with more freedom than most Arab heads of state. Nevertheless, Libyan assassination squads accounted for more than a dozen political murders in Britain, West Germany, France, Lebanon and Greece last year, and few European governments are likely to ignore the latest remarks.

## Mr Begin pained by hostility

From Our Own Correspondent  
Jerusalem, March 4

Israel's relations with a number of leading European countries are coming under increasing strain which has further lessened the chances of official cooperation here with any proposed European peace initiative in the Middle East.

In a bitterly worded speech today, Mr Menachem Begin, the Prime Minister, condemned the suggestion made in a recent European working paper that Israel should withdraw from all the occupied Arab territories in exchange for foreign security guarantees and normal ties with the Arab states.

Speaking in the Knesset to an audience of former French paratroopers, Mr Begin said: "With deep pain, I must say lately the official policy towards Israel of several European countries—including France—is absolutely negative and sometimes incomprehensible."

The question of proposed arms sales to Saudi Arabia has provoked a diplomatic anger against West Germany in particular, and also Britain and Italy.

## Mr Reagan tries to allay fears of 'new Vietnam'

From Clive Cookson  
Washington, March 4

President Reagan tried last night to reassure his foreign policy critics who fear that the United States' growing military involvement in El Salvador could lead to "another Vietnam".

In a television interview Mr Reagan said he saw "no parallels at all" with the first phase of American military aid to South Vietnam. About thirty American military advisers are already in El Salvador, and the Administration announced yesterday that it would send another 20 to help the ruling junta, but the President emphasised that they would not become involved in combat.

"They train recruits in the garrison area and, as a matter of fact, we have such training teams in more than 30 countries today," President Reagan said.

However, liberal Democrats in Congress were not placated. Forty-three members of the House of Representatives have sent the President a telegram warning him that one or more American advisers might be killed by the rebels in El Salvador. American casualties, they said, might force the United States "into another Vietnam or a humiliating withdrawal".

But Senator Paul Tsongas of Massachusetts, one of the Democratic colleagues on the Senate foreign relations committee, conceded that the liberals were in a minority.

President Reagan touched on many foreign policy issues during his hour-long interview with Mr Walter Cronkite, America's best-known television news anchorman, who retires from CBS this week. He was extremely cautious in response to Mr Cronkite's questioning about President Brezhnev's suggestion of a summit meeting.

"We could talk a lot better if there was some indication that they truly wanted to be a member of the peace-loving



President Reagan discussing a trip planned by former President Gerald Ford.

## Mrs Thatcher 'admits mistake'

Mr Reagan revealed that Mrs Thatcher, the British Prime Minister, told him while she was in Washington that she thought she had made a mistake by introducing her economic policies in a "piecemeal" way in Britain.

He said that he had used new efforts to reach a negotiated settlement of the civil war.

The statement said the military aid had three negative consequences: "It identifies the United States, at least symbolically, with the repressive role of the security forces whose actions have been consistently criticized by the church in El Salvador; it increases the risk of wider military intervention; and it jeopardizes a constructive role the United States might play in the conflict."

The statements signatories said they "found profoundly disturbing the decisions taken

in the last two months to renew military aid of weapons and ammunition and finally to propose even more significant increases for the future."

Moscow bewildered: Soviet officials today expressed bewilderment at President Reagan's statement making a summit meeting contingent upon a sound-will gesture by Moscow, perhaps in Afghanistan (Agence France-Press reports from Moscow).

The American response to the Brezhnev proposal came like a cold shower in Moscow, where spokesmen at the just concluded Soviet party congress went out of their way to press their call for an East-West dialogue.

"They did not go unnoticed in the Soviet Union," Mr Leonid Zamyatin, Mr Brezhnev's spokesman, said of the American reactions.

South Africa pleased: Mr P. W. Botha, the South African Prime Minister, today welcomed Mr Reagan's statement acknowledging South Africa's strategic importance (Reuters reports from Cape Town).

## \$32,600m rise sought in US defence budget

Washington, March 4.—President Reagan asked Congress today to add \$32,600m (115,000m) to the Carter defence budget for the next 18 months, including funds for a new manned bomber and other weapons programmes.

Mr Reagan's proposed additions to the Pentagon budget unveiled by his defeated predecessor in January would authorize \$1,300,000m (6,600,000m) for the five years starting in 1982. This is nearly \$300,000m more than Mr Carter sought.

As well as the bomber, the Reagan plan calls for building a sixth nuclear-powered aircraft carrier, reactivating two Second World War battleships and obtaining dozens of other ships and hundreds of aircraft and tanks beyond what Mr Carter proposed for the last half of the current 1981 financial year and for 1982.

It also proposes nearly to double spending for defence of the Gulf and Indian Ocean areas, including strengthening the United States rapid deployment force and improvements to military installations on the

British-owned Diego Garcia island.

Mr Caspar Weinberger, the Defence Secretary, in unveiling the new budget to Congress, said the proposed increases over the next five years would redress the military balance with the Soviet Union and restore American strategic nuclear deterrence.

Mr Reagan made what he called American military inferiority relative to the Soviet Union a campaign issue in his quest for the presidency. He proposed today military budget authority of \$178,000m this year, \$6,800m above the Carter request. For the 1982 financial year starting on October 1, he asked for \$222,200m, an increase of \$25,800m.

Despite opposition by some conservatives, President Reagan said today he will nominate Mr Lawrence Eagleburger, a former assistant to Dr Henry Kissinger, to be Assistant Secretary of State for European Affairs. Mr Eagleburger, who is 50, has held several previous State Department positions.—AP.

## Close Brezhnev associates join Central Committee

Moscow, March 4.—Several close relations and associates of President Leonid Brezhnev, who is the Soviet party leader, have become members of the Communist Party's Central Committee, according to lists published in Pravda today.

Mr Yuri Brezhnev, the First Deputy Foreign Trade Minister, who is the party leader's son, became one of 151 candidates (non-voting) members of the Central Committee. Lieutenant-General Yuri Churbanov, the First Deputy Interior Minister, who is Mr Brezhnev's son-in-law, was moved to the same level.

President Brezhnev's position was further strengthened by the promotion of Mr Andrei Alexandrov-Agostov, a senior personal aide, from

candidate to full Central Committee member, while another aide, Mr Anatoly Blatov, became a candidate member.

The party congress, which ended yesterday with the re-election of an unchanged Politburo and Secretariat, expanded the policy-making Central Committee from 267 to 319 full members and from 139 to 151 candidate members.

Several senior officers from the armed forces moved into the Central Committee as full members, while at least three figures from the KGB security police were promoted to the same level. They included General Semyon Tsvigun, the First Deputy Chairman of the Committee for State Security.—Reuters.

Congress reviewed, page 16

## Israeli move to frustrate redivision

## Building of Jerusalem suburbs speeded up

From Christopher Walker  
Jerusalem, March 4

Recent statistics have shown a sharp acceleration in Israeli plans to encircle Jerusalem with new Jewish suburbs in an effort to frustrate any future international attempts to redivide the city as part of a comprehensive Middle East settlement.

It was disclosed this week that in the two years since the signing of the Camp David accord there has been a nearly three-fold increase in the annual number of new homes built for Jewish families in areas of the city conquered from the Arabs in 1967.

The deliberate publication of the figures as part of the Government's intensifying campaign in the run-up to the June general election is expected to lessen further any chance of a Palestinian autonomy agreement being reached with Egypt.

According to Mr David Levy, Israel's Housing Minister, 8,000 housing units have been constructed in the mushrooming new suburbs since 1979, nearly three times the previous highest rate achieved since the land was annexed after the Six-Day War.

The new flats are sufficient to house more than 28,000 Jews, many of whom will be encouraged to move by heavily subsidized house prices.

During a heavily guarded walkabout in three of the new Jerusalem suburbs and their towering apartment blocks, Mr

Menachem Begin, the Prime Minister, was shown convincing evidence that his Government has embarked upon what one official described as "perhaps the largest housing scheme of its kind in the world". It is estimated that about 30,000 Jews are already living in the new suburbs, many of which were established under the previous Labour administration.

Mr Uri Oren, spokesman for the Housing Ministry, told reporters accompanying the tour: "This Government is concerned with creating facts on the ground: 10,000 extra Jews must come to live in Jerusalem every year to keep up the present balance between Jews and Arabs of 73 to 27 per cent."

Mr Oren claimed that until 1979, the ratio of Jews to Arabs in the Holy City had been dropping year by year because of two factors: the higher Arab birthrate and the continuing immigration of Arabs to Jerusalem from the West Bank.

The tour began in Gilo, a Jewish suburb sprouting from the Judean hills less than two miles from the centre of the occupied Arab town of Bethlehem. Already the drab looking suburb has over 10,000 Jewish residents.

Under the Government's plan, the town—which is situated just inside the West Bank—will be the nose of a dormitory city with 35,000 Jewish residents and a new access road to Tel Aviv.

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## Caste remains an abrasive in Indian society

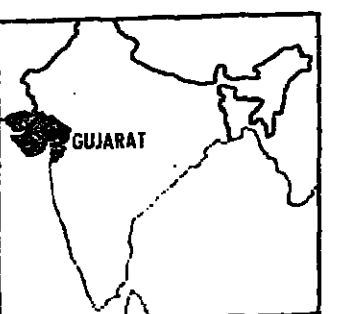
From Trevor Fishlock  
Delhi, March 4

Few days pass in India without the newspapers reporting fresh manifestations of caste conflict. Beating, shooting, rape and mutilation are added almost daily to a dismal catalogue. Caste is part of the framework of Indian society and also one of its enduring abrasives.

The present eruption of violence in the western state of Gujarat, which has so far cost 25 lives and appears to be growing more bitter, is a caste conflict rooted in a government policy which attempts, in a well-meaning egalitarian spirit, to confront one of the central issues and enigmas of Indian life.

The constitution says: "The state shall promote with special care the education and economic interests of the weaker sections of the people." Since independence these words have been translated into action through the policy of reserving places in colleges and government offices for Harijans (Mahatma Gandhi's name for Untouchables) and for tribal people, who make up about a sixth of the population.

But according to a growing body of opinion the quota system is getting out of hand. It is argued that the noble purpose enshrined in the constitution, which outlawed untouchability, has become distorted in practice and that the contradictions in the policy sharpen rather than mitigate caste differences. Critics contend that caste has become one of the important commodities in the political market, with politicians promising larger job quotas in exchange for votes. Positive dis-



crimination creates resentment where people are given jobs on caste grounds rather than on merit, and causes trouble in cases where well-off Harijans are allotted places and jobs at the expense of poor upper-caste people whose need is evidently greater.

A Harijan is not always at the bottom of the economic heap. Anger has grown among those in the upper castes who believe it is now they who are victimized on caste grounds.

In Gujarat the quota system is being fiercely attacked and stoutly defended. Until recently a quarter of post-graduate places in medical colleges were held for Harijans and others of what are called the backward classes. But gradually the allotment has been increased to half. In a few specializations even more places are held for the backward classes.

Anti-quota agitation by upper caste medical students and counter demonstration by Harijans have brought turmoil to several parts of the state. Police have fired on rioters and the have been called in to help keep order. More than 60 textile mills have been closed by striking Harijan workers pro-

testing against the students' campaign. Caste has been for more than 3,000 years a central and powerful force in Hindu society and to a considerable extent still determines a man's place in society.

It is part and parcel of Hindu ideas of life, rebirth and predestination, and clearly has a stabilizing or ordering effect in society. But for the lower orders it is also an instrument of repression and is therefore a cause of violence.

The system had its origins in four castes, broadly speaking the priests, soldiers, farmers and artisans. The rest were the untouchables. Now there are said to be 3,000 castes, with numerous sub-castes.

Modern conditions and influences, especially the growth of education, travel and the development of urban societies, have gone some way to eroding traditional caste barriers. In cities a different style of life and enforced mixing and sharing in public transport, restaurants and cinemas have helped to make caste less important.

Most caste strife originates in the countryside. Harijans tend to be confined to their traditional menial tasks, live separately in villages and draw water from different wells. Belief that Untouchables contaminate leads to the practising of an apartheid extraordinarily complex in its detail.

Ill-treatment of Harijans has been commonplace for centuries. A atrocity in which Harijans and tribal people are victims have increased threefold in the three years according to the Commissioner for Scheduled Castes. Much of the trouble in rural India today is caused by land

feuds as peasants, mostly Harijans and tribal people, try to claim their rights, and become the victims of landlords who resort to murder and maiming to resist the pressure.

Prejudice is not a one-way affair. A few days ago a Harijan girl who had offended by marrying into a higher caste. Marriage is still a sensitive and important area where caste lines are concerned.

In more educated circles prejudice and superstition are still there, even if more covert. After a reception in Delhi the host ordered the crockery to be smashed because it had been used, and so defiled, by a guest who was an Untouchable.

When a former deputy prime minister, a Harijan, unveiled a statue two years ago, high caste Hindus gave it a wash after he had gone, because he had touched it.

Recently a Harijan presented an idol worth £2,700 to a temple, but priests stopped him entering the temple because his presence would have polluted it.

In the generation since independence India has made huge strides in agriculture, industry and education, and living standards have been raised remarkably. But improvement has been offset by large growth in population, so that in spite of the advances more than two-fifths of the people live below the poverty level. Pressure on land has grown, and this is one of the factors in caste conflict.

Many Indians are anxious to find ways of lessening tensions while bettering the lives of those traditionally kept under the heel. But the caste structure itself is a part of India that cannot be eradicated.







## PARLIAMENT, March 4, 1981

## Government taking action against local authorities which delay sale of council houses to tenants

House of Commons: The Government would ensure that council houses were sold to tenants at a discount, and that the right to buy their properties by delay and the administrative action of local authorities.

Mr. Anthony Durant (Reading, Berks.) had asked how the Government intended to ensure that the right to buy was not delayed by local authorities. Mr. John Stanley, Minister for Housing and Construction, said at a question time:

Each of these individual complaints is being pursued by the Department with the authority concerned. We are making it clear that in addition, the department has now taken up formally with the following 16 authorities their role of progress in implementing the right to buy:

Bolton, Bristol, Doncaster, Great Yarmouth, Hull, Leeds, Manchester, Sheffield, Stoke-on-Trent, Sunderland, Wolverhampton, and the London boroughs of Barking and Dagenham, Camden, Lambeth, Lewisham and Newham.

Mr. Durant: That is a depressing answer. Bearing in mind that this is the low of the land, will the Government be looking at the possibility of taking action against those authorities which are not doing so?

Mr. Stanley: On the general point, the Government is determined to see that all local authorities, town and housing association tenants have the right to buy and are able to exercise that right.

Mr. Stanley: I will be glad to consider any information he cares to send me about the rate of progress in that authority.

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## Minister may ask local councils to declare all land holdings

Mr. Michael Heseltine, Secretary of State for the Environment, said during a question time in the House of Commons that he would be asking local authorities to declare all land holdings.

Mr. Heseltine (Hendon, C.) answered questions about land owned by local authorities, said: The compilation of registers for 33 districts and London boroughs is under way, with the aim of publication in April.

Public bodies are providing information according to standard criteria under guidance from my department. This does not include information on land values.

I already have power to direct local authorities to provide a register, but I am hoping that the publication of site details, coupled with supporting work by the local authorities, will in most cases be enough to activate disposals.

He added: No time will be lost in the compilation of sites that appear on the registers.

I have already undertaken the process of setting up a register of sites, which will be the same thing as establishing a register, which carries

with it the power of compulsory disposal.

That would be a second step if I think revelations of the land disposal in the hands of local government justify such a register.

The Ordnance Survey will this year have a deficit of £21m and it was an expensive facility, Mr. Tom King, Minister for Local Government and Environmental Services, said during questions.

Mr. King (Bridgewater, C.) answered questions about the future of Ordnance Survey, said: I hope in the next few weeks to be able to make a statement on the recommendations of the Ordnance Survey review committee and on an immediate remedial plan for the Ordnance Survey.

I also have in hand an examination of the possibilities for giving Ordnance Survey a more independent status. This last study will take rather longer to complete.

He added later: that it would be irresponsible of any Government not to see in what way this facility might be improved, and that the call on the public exchequer must be modified.

Mr. Heseltine: Because this is a new method of disposing of land I felt that it was right to proceed at a reasonable pace in the first place and to take 33 registers as a method of finding out how the process works.

I am considering now how the land disposal can be made more effective, and I am hoping that the publication of site details, coupled with supporting work by the local authorities, will in most cases be enough to activate disposals.

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## Work protection law changes wanted by Lord Thorneycroft

House of Lords: The Government had created a situation of nightmare proportion, Lord Thorneycroft, leader of the Opposition peers, said when he opened a debate on what he called the unacceptable level of regional unemployment.

He said the situation was partly due to the Government's limited adherence to a catastrophic monetary policy. Towns had been murdered as far as was concerned by being attacked and run down and factories after factory closed.

We must, he said, say "Stop" to Government policy. There must be a U-turn, a change, otherwise there will be a catastrophe for thousands of people in this country.

The Earl of Gowrie, Minister of State for Employment, said that a U-turn was not a U-turn, but a change of direction. The Government was not going to make a U-turn, but a change of direction.

He added later: that it would be irresponsible of any Government not to see in what way this facility might be improved, and that the call on the public exchequer must be modified.

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## Lambeth should fulfil its obligations

The Government would expect Lambeth Council to recover possession of "Right to Buy" applications for purchase of council houses by tenants reported to have been impounded by local officials involved in industrial action.

Mr. John Stanley, Minister for Housing and Construction, said at a question time:

Mr. Stanley (Tonbridge and Malling, C.) stated: I have read with concern press reports about industrial action in Lambeth to impound "Right to Buy" claims.

Mr. Stanley: I will be glad to consider any information he cares to send me about the rate of progress in that authority.

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## Essential repairs at Houses of Parliament

Urged to carry out repair work to Palace of Westminster: Mr. Geoffrey Finsberg, Under Secretary for the Environment, said he had authorized essential structural repairs to and repainting of the Palace of Westminster at a cost of £80,000 after receiving professional advice from the Property Services Agency.

Mr. Finsberg: We are still trying to decide how best to allocate the money to Government buildings, bearing in mind that the total cost is £5m.

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## Strict control over trans-shipment of fish in British waters

The new Sea Fish Industry Authority should be able to operate within a flexible framework, Mr. Alick Buchanan-Smith, Minister of State for Agriculture, Fisheries and Food, said on the report stage of the Fisheries Bill.

Mr. Buchanan-Smith (Angus North & Pictou, C.) said the new clause provided essential powers for the authority to borrow funds for the exercise of its powers.

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## Financial difficulties recognized

Mr. Austin Mitchell (Grimsby, Lab.) said the financial difficulties of the fishing industry were recognized by the Government.







# HONGKONG

"I am encouraged to hope that when, on February 5, the Year of the Cock dawns and the cock crows it will be proclaiming that Hongkong will find satisfaction if not feast in the year ahead." This was what the Governor, Sir Murray MacLehose, said at the annual New Year dinner of the Hongkong General Chamber of Commerce. He pointed out that Hongkong faced the second year of this decade "against a background of an unprecedented five-year period of sustained growth".

He went on to list its assets: "Our enviable geographical position, our political and fiscal stability, our budgetary strength, the excellence of our external communications and harbour, our financial services, and the continuing ability of our industrialists to expand markets and of our workforce to keep pace with the more complex work called for."

He also paid tribute to "the friendly support of the British Government and the helpful attitude of the Chinese Government". However, there is now a continuing deterioration in Hongkong-British relations after the introduction of the new British Nationality Bill, the sharp increase in fees for Hongkong students studying in Britain and restrictions on textiles.

Instructively, both Chinese communist and Kuomintang newspapers in Hongkong—approved of course by both Peking and Taiwan—have denounced these trends. Despite expected amendments to the Bill, Hongkong residents angrily believe that the new nationality categories will make them second-class citizens.

Happily, Hongkong relations with China have continued to improve since Sir Murray's 1979 visit to Peking, the first by a Hongkong Governor since 1949, and his recent discussions in Canton, which fixed the final clampdown on all illegal entrants from China.

The Hongkong-Guangdong border is vanishing. Canton authorities are building a "new Hongkong" type of special economic zone across the border in which Hongkong investment already amounts to \$HK1,250m (£103m). Canton is investing in Hongkong, and Guangdong's exports last year to Hongkong—chiefly food,

livestock and petroleum—were worth \$HK10,000m—or approximately 40 per cent of China's total exports to Hongkong.

Again, to quote Sir Murray: "The development of Guangdong and Hongkong is complementary. There could well be room for net expansion of Hongkong industry through the lower costs of some materials and components if they were produced in China instead of imported from overseas and if some land-intensive processes were moved north of the border. Equally to be welcomed is the expansion of investment in Hongkong by agencies of the Chinese Government."

Guangdong has just established a capitalist-style company, Guangdong Enterprises, in Hongkong to conduct on-the-spot business dealings with local and foreign investors.

Mr Zeng Ding-shi, Vice-Governor of Guangdong, told 1,200 guests at a crowded opening ceremony that the company has drawn closer the economic ties between Hongkong and Guangdong.

But if the border is disappearing, reinforced Chinese and Hongkong security patrols against the dwindling number of "illegals" are firmly maintained with full cooperation Peking, the first by a Hongkong Governor since 1949, and his recent discussions in Canton, which fixed the final clampdown on all illegal entrants from China.

The Hongkong-Guangdong border is vanishing. Canton authorities are building a "new Hongkong" type of special economic zone across the border in which Hongkong investment already amounts to \$HK1,250m (£103m). Canton is investing in Hongkong, and Guangdong's exports last year to Hongkong—chiefly food,

Chinese customs officials have installed a hot-line telephone on the border to receive round-the-clock calls from Hongkong residents who are prepared to give warning of attempts to smuggle luxury items into China. Those who cooperate will be rewarded with 15 per cent of the value of any goods that are thereby seized.

During the past two months, smuggled goods worth an estimated \$HK7m were seized aboard more than 20 Hongkong fishing junks.

This pragmatic and mutually rewarding relationship between Canton and Hongkong has removed one of the few impediments affecting the continuing survival of Hongkong as an "independent territory".

It had once been feared that the split between the Peking and Canton factions—now believed to be unlikely—might have led to a Canton takeover to prove that the southern faction was more truly "revolutionary". The 1967 riots in Hongkong, it was soon learnt, were perpetrated by Canton Red Guards against the wishes and orders of Peking. That can hardly happen again.

The prospects for a safe and happy arrival into 1981, when the treaty leasing the New Territories of Hongkong expires, are now taken for granted. Mr Deng Xiaoping, the Vice-Premier, told Governor MacLehose on his 1979 visit, to "ask investors in Hongkong to put their hearts at ease".

That was not an initial assurance. When the "cultural revolution" was evaporating, a loyal party representative with a visiting fraternal delegation from Hongkong, flushed perhaps by excessive Maoist intake, asked his Peking banquet chairman, a high-ranking Foreign Ministry official, for a forecast of Hongkong's future.

"We have not had time to think about it," the official replied. "Meanwhile I advise you not to worry. Go back to Hongkong and continue to do what capitalists are supposed to do—make money for us and yourself."

The late Lord Thomson of Fleet, after an animated and uninhibited hour-long exchange of views with Premier Chou En-lai in 1972, emphasized that he was still

a capitalist and gently sought Premier Chou's advice on whether he should continue to invest in Hongkong. Premier Chou, with a bland laugh, shook Lord Thomson warmly by the hand and said: "I look forward to our next meeting".

One of the new administrative developments and a first step towards real franchise in Hongkong in this year of the Cock will be the introduction of a management committee and an advisory board in each of the 18 districts on Hongkong Island, in Kowloon and the New Territories—which are steadily being resettled as Hongkong's population increases.

The estimated population at the end of last year was 5,147,900, an increase of 130,900 or 2.6 per cent over the total at the end of 1979.

The district management committees will consist of government officers from departments most closely concerned with the provision of services in the districts. Members of the district boards, however, will include non-officials either appointed by the Government or directly elected. Each district board will advise its corresponding management committee on matters affecting the well-being of people living or working there. Any registered voter who has been resident in Hongkong for 10 or more years can become a candidate for election.

This democratic drive for a new community spirit was the brain-child of Sir Murray. Most Hongkong residents, and also the Peking Politburo, would like to see Sir Murray's fourth-term office again extended when it expires in the April 1982. Now 64, he has been Governor since 1971 and there was general agreement with the recent tribute paid to him by Sir Anthony Royed, the visiting Vice-Chairman of the British Conservative Party, who said he had been "the best governor since the Second World War".

Sir Murray is in good health and it is presumed that, even if he personally wished to retire, he would undoubtedly remain if he was persuaded that this was popular desire and would be of advantage to Hongkong. It is and it certainly would be.

Richard Hughes



Photograph: Robin Laurence

## Wooing the business visitor

It may not be delicate to mention it, but holiday-makers are not the most lucrative visitors to Hongkong. According to the statistics, business visitors spend more. Travel agencies are therefore devoting much energy to attracting business conferences as well as keeping up the pressure for more tourist traffic.

With these objectives in mind, there has been a surge in the construction of top-class hotels. Projects in hand will provide more than 4,000 extra hotel rooms by the end of 1983. Last October the luxury 604-room Regent Hotel opened on reclaimed land along the Tsimshatsui waterfront, close to the main shopping centre. By the end of the year four more hotels will have opened on the site—the Holiday Inn Harbour View, the Shangri-La, the Royal Garden, and the Regal Meridian.

Next November a new Peninsula Group hotel, the Marco Polo, opens in Tsimshatsui. The underground railway (known as the mass transit railway) has already improved the lot of the daily commuter, and has also opened up new areas of Kowloon.

Most visitors to Hongkong come from South-east Asia, followed by Japan, the United States, West Europe and Australia, and they are roughly equally divided between tourists and business people.

Britons made up only 5 per cent of visitors last year, and even with a big increase since the cheaper air fares were introduced last summer, the figure remains relatively small. August was the first month that three airlines began competing on the London-Hongkong route, and there was an immediate 69 per cent increase in traffic over the same month in 1979. For the rest of the year the figures were: September, up 41 per cent; October, up 51 per cent;

November, up 39 per cent; December, up 63 per cent. Cathay Pacific, one of the new airlines on the route, reports that it is making a "substantial" profit on the traffic, although that may be an overstatement. Mr Duncan Black, the head in Hongkong of the Swire group, owners of Cathay, said recently: "We have moved up three flights weekly to five, and we are going daily in July. The only problem is that the fares are a bit low but they will gradually come up."

He added that it was a fact, which was accepted at one of the licensing hearings, that the average cost of producing a seat from Hongkong to London was about £220. "Our low-end seats are being sold for about £160. British Airways and British Caledonian have got themselves in terrible strife by having stand-by fares which they cannot support, such as the £99 fare."

Although £220 is the cost, if you have enough top-end

business you can subsidize the others. He expected that during 1981 the bottom-end fares would have to go up to at least £200.

The introduction of short-tours to China over the past few years is proving a big attraction for visitors to Hongkong. For the equivalent of about £100 you can go to Canton by hovercraft (it takes about four hours) and spend two nights and three days getting a swift taste of life in China. The accommodation is spartan, but the Chinese are making strenuous efforts to build hotels of a high standard.

Overall, Hongkong is maintaining a steady growth in the number of visitors. The increase in 1980 was about 4 per cent over the previous year.

There was a drop last year, however, in the number of Japanese visitors, although the position began to improve around September. The reduction partly reflected the economic con-

ditions in Japan, but the colony also has a bad reputation among many Japanese for standards of service as well as for petty crime.

The Taiwanese market showed a drastic drop because of a partial travel ban which prevented trippers from making single destination trips to Hongkong.

An analysis of spending by visitors in the first nine months of 1980, based on a survey of people departing, showed increases in expenditure, compared with 1979, among those who came from the United States, Australia, and Western Europe, the Australians being the biggest spenders. Japanese visitors, however, spent less.

The same analysis revealed that the shops, with their abundance of cheap clothing and electrical goods, were still the main attraction for visitors. All in all, the Hongkong Tourist Association sees 1981 as a year of modest growth, as was last year.

Christopher Thomas

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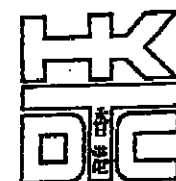
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## Happy accidents lessen trade deficit

Hong Kong may be a borrowed place living on borrowed time, as one commentator has aptly described it, but it also has a way of being in the right place at the right time. Felicitous accidents of position and timing have accounted for much of the colony's economic success in the past, and last year was no exception.

Just when the gathering clouds of recession and protectionism in Hong Kong's most important export markets—for clothing and textiles in particular—were beginning to shorten order books and to increase unemployment, the traditional entrepôt trade with China revived strongly. This helped to keep the visible trade deficit within manageable, although still worrying, proportions.

Equally fortuitous events helped Hong Kong's previous year. An influx of refugees from China and from Vietnam put a heavy burden on housing and other social services then but it also provided a pool of new labour to keep wage rates at internationally competitive levels.

It is hard to see, however, just what factor may intervene this year to bale Hong Kong's economy out of more serious trouble, as the rapidly rising double-digit inflation and possibly an even wider trade deficit.

Indeed, in his annual budget on February 25 Sir Philip Haddad-Cave admitted that the growth rate of Hong Kong's total exports will fall to 12 per cent in 1981, compared with 12.7 per cent last year, with falls in both exports and re-exports. He also forecast a drop in imports but the negative aspects of this is that it implies some slowdown in business activity which could damage even the reduced prospects of the export sector.

Sir Philip predicted a fall in Hong Kong's gross domestic product increase this year, to 8 per cent compared with 9 per cent last year, but this at least is expected to slow the rate of consumer price inflation down from 15.5 per cent last year to about 12 per cent this year. Proposed moves to change the regulatory framework affecting banks and finance companies should also help to bring the runaway money supply back under some sort of control.

As usual, Sir Philip's forecast for the size of the Government's budget surplus was way off track. The estimated surplus for 1981-82 is now put at HK\$9,320m against the figure of HK\$12,900m originally budgeted for. Once again soaring revenues from public sales of land (all of which the Government owns in Hong Kong) have produced a large surplus.

This looks good in the short term but local business leaders are becoming increasingly critical of the Government's refusal to make cheap land available for industrial development. With revenues "flushing", the Financial Secretary was able to reduce corporation tax by half a



Trams are still an important part of transport in Hong Kong.

point to 16.5 per cent and to give concessions on the level of income at which Hong Kong's standard rate of 15 per cent personal income tax becomes payable.

The trade deficit rose by HK\$3,500m last year to HK\$13,400m as imports rose somewhat faster than overall exports and much faster than domestic exports. The saving factor was re-exports (mainly goods and materials imported from China and re-exported), which rose 50 per cent in value.

These re-exports consist mostly of raw materials and semi-manufactures such as yarns, fabrics and clothes, as well as pearls and other precious stones and electrical machinery. How strong they will continue in 1981 depends on whether China's major trading partners retaliate in any way against that country's slowdown on capital goods imports. Hong Kong's trade with its neighbouring Portuguese colony of Macau has also been boosted on the back of the revived China trade, but here again further growth is problematical.

Meanwhile the job creation potential of the entrepôt trade is limited and despite the extra work needed in processing re-exports the number of people employed in manufacturing is actually falling now. This reflects a decline in orders for textiles, plastics, electrical goods and metals in Hong Kong's important markets in the United States and Europe.

This shrinkage began in the second half of last year and has led to increasing numbers of lay-offs and short-time working in manufacture, as well as to reduced real wages at current inflation levels. It has also led some weavers to turn their factories over for property development where profits are much higher and faster.

Hong Kong's internationally recognized financial services remain generally buoyant but

again their job creation impact is limited. The financial sector now employs about 26,000 people against nearly 900,000 in the manufacturing sector and 447,000 in import-export businesses, shops, hotels and restaurants.

Unemployment, at 4.3 per cent (last September), is not yet a serious social problem (for the Government at least) although with no unemployment benefits available it is hard enough for those unfortunate enough to be out of work) but it may become more so. The Government admits that rising wages and expectations are making the younger generations at least less ready to accept Hong Kong's traditional philosophy of flexibility in employment and wages during recession.

Increasingly, voices within the Chinese community—the overwhelming majority of Hong Kong's (probably more than six million) population—can be heard calling for a wider industrial base and policies to encourage foreign investment. But the ruling British minority clings tenaciously to its policy of not telling private enterprise what to do and of non-discrimination between foreign and domestic investors when it comes to incentives.

Inflation running at 15.6 per cent in the year to last November—one of the highest increases in South-east Asia—is making life even harder for the unemployed and those on short time. A good deal of this inflation is imported, by the rising cost of fuel and raw material imports. Food prices too are rising rapidly. But a huge increase in Hong Kong's money supply and credit creation last year is certainly another factor.

There is a good deal of debate going on about whether the increase in money and credit is really as big as it looks. The M3 money supply leapt by 34 per cent in the year to last November and total credit to the economy (bank and quasi-bank lending) by a startling 58 per cent. The official argument is that much of this credit goes off shore and has little or no impact on the domestic

economy, but no one knows for sure how much as official statistics to determine the true trend are only now under preparation.

It does not take even the casual visitor more than a glance at Hong Kong's concrete landscape and its myriad office and apartment blocks to compute where a good deal of the money supply is going, however. It is going into real estate, which continues to command ever higher prices and rents. If demand for office space and luxury flats for expatriate staff were to ease off, in line with lowered expectations for trade with China, a lot of banks, and deposit-taking (finance) companies in particular, could get their cheques crossed to overheat again. Plans for a new airport and for a road bridge linking Hong Kong with Lantau island may well have to wait in view of the surprise decision to extend the MTR so soon.

How fast Hong Kong can improve its standard of living depends (now that the refugee influx has mercifully slowed) on how quickly world trade and traditional industries' order books pick up, as there is slim chance of the Government going for any large-scale diversification of the economy.

Services fortunately remain fairly buoyant—contributing HK\$22,356m to the overall balance of payments in 1980. Tourism is one of the most crucial services and full-fledged Japanese arrivals last year was more than compensated for by an increase in numbers from the United States, Australia and Europe (particularly Britain). But how long tourists will continue rushing to China (by way of Hong Kong), given the high cost of such journeys, and how long cheap air fares from London can survive, remains to be seen.

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The opening of the Mass Transit Railway, first phase between Kowloon and Hong Kong island has also made

life easier for millions of commuters, although the cross-harbour fare, at four times the cost of a ferry ride, has probably kept underground trains emptier than they might otherwise have been. Traffic on the MTR also appears to be below projections.

Plans to open a new Island Line (financing it largely from assumed development profits on pre-sold land around the MTR terminals) will cost about HK\$7,000m (meaning that the MTR will have cost about HK\$20,000m by then) and should ease surface congestion and improve the railways' pay-off. But it will almost certainly push the money supply spiral even higher, too, and cause the now cooling public sector to overheat again. Plans for a new airport and for a road bridge linking Hong Kong with Lantau island may well have to wait in view of the surprise decision to extend the MTR so soon.

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Anthony Rowley  
business editor,  
Far Eastern Economic  
Review

### Finance

## Stockmarket boom gives false picture

The continuous rise of Hong Kong's stockmarket last year hardly makes it a good barometer of the economy. Its readings were distorted by a ridge of (very local) high pressure in the corporate sector. While the economy was slipping farther into recession, the trade gap widening and inflation rising, the Hang Seng stockmarket index more than doubled to over 1,600, where it approached its record high level of 1973.

This remarkable performance, which has continued into this year, has taken place against a backdrop of seething speculation in the market about corporate takeovers and reorganisations—some rumoured, some realized. Most notable among these was the short and bloody (for certain shareholders) mid-year battle for control of the land-rich Hong Kong and Kowloon Wharf Company, in which Sir Yue-Kong Pao, the shipping magnate, thwarted Hong Kong Land's bid for control of the company and ended up with 49 per cent himself.

There were a dozen big takeover deals in Hong Kong last year involving cash and scrip issues to a total value of about HK\$1,400m. That the partial bid for Hong Kong and Kowloon Wharf left some shareholders without a look-in elicited little more than a modest rebuke from Hong Kong's Committee on Takeovers and Mergers. The incident re-emphasized how powerful are some of the business personalities (arguably more so the Chinese than the English) in Hong Kong's economy and that the rules are flexible when their interests are at stake.

Sir Yue-Kong Pao having got control of Hong Kong-Kowloon Wharf (provoking

speculation that he will increasingly shift his assets from shipping into real estate), even more remarkable things followed. In November the two biggest expatriate-run hongks (trading houses), Jardine Matheson and Hongkong Land, closed ranks against the Chinese threat (specifically from property tycoon Mr Li Ka Shing's Cheung Kong Holdings) by strengthening their cross shareholdings. Jardine Matheson ended up with 33 per cent of Hongkong Land and (more important from the point of view of a mutual defensive strategy, as Jardine had become the more attractive takeover counter) Hongkong Land with 30 per cent of Jardine Matheson.

The battle lines between Chinese and British business interests had thus been firmly drawn. The writing was on the wall a year previously when the Hongkong and Shanghai Bank sold out its 22 per cent stake in the (also land-rich) Hutchison Whampoa company to Mr Li Ka Shing, after he and Sir Yue-Kong Pao (who had earlier been interested in Hutchison himself) apparently decided who should go for Chinese (British) target.

The bank has manoeuvred cleverly in all this, doing deals with the Chinese in Hong Kong while continuing to build up a higher base outside the colony—in the United States by acquiring Marine Midland Bank and in the United Kingdom through the takeover of the merchant bank Anthony Gibbs last year.

In Britain, or in most other places having a takeover code, both of last year's big control-shifting deals would have initiated a full takeover under the rules. But in Hong Kong there was

a—probably well grounded—suspicion that the rules (at present requiring a full bid only after 50 per cent of a company is acquired) would not be tightened until the most powerful business tycoons had completed their strategic realignments.

Sure enough, at the beginning of this year, the Government let it be known that it is now intending to introduce a compromise, 35 per cent rule at which full take-over bids are initiated. Now bolder, where is little reason why the stable door should not be shut.

Although last year's takeovers gave the local stockmarket more of a casino image than ever, the market did at least reassure its role as a source of capital. A score of rights issues during the year by expatriate hongks and local Chinese companies resulted in the raising of just under HK\$500m, which the market was able to take in easily.

To give it its due, the Government does look as though it is trying to do something to introduce a few more meaningful rules into the jungle of corporate dealings. Earlier this year it called in a British company law expert, Mr Barry Rider, a fellow of Jesus College, Cambridge, to look not only at company law as such but at the commercial crimes division, the police and the Attorney General's office as well.

A revision of the colony's company law—the first major one for 50 years—was fore-shadowed by a Bill introduced last August into the official Legislative Council, though it has yet to be enacted. The Bill seeks to abolish the much used and abused practice of allowing companies to have corporate

bodies as their directors, a device used by many companies to mask their true ownership. But it dodges the equally important issue of making disclosure of shareholdings and dealings compulsory. Overall, the Bill plays with reform only on the sidelines.

Reform comes slowly in Hong Kong—almost inevitably after the event or after the mishap—but it is proceeding. In December the Government enacted the Money Lenders Ordinance to restrict the activities of, usually Chinese, loan sharks. The legislation makes anyone charging an annual interest of more than 60 per cent on a loan liable to a heavy fine or up to two years in jail. It also requires money lenders to be registered and to keep records of all transactions.

Since then, the local police claim to have broken the activities of a number of loan-shark syndicates which have been charging unallowable high rates and detaining borrowers' savings account books. The activities of these ubiquitous (often Triad-run) syndicates range from financing gambling to sponsoring stockmarket speculation.

In the banking sector there was little evidence last year of a slowdown in the economy, though mainly because a large part of the huge increase in credit creation was attributable more to the booming property sector and to offshore funding than to domestic manufacture. Bank profits were somewhat attenuated compared with 1979. The Hongkong and Shanghai Bank for instance saw net profits rise 19 per cent in the first half of 1980 against 37 per cent in the corresponding period of 1979. But with local "best lending"

(prime) rate at record levels of up to 17 per cent that was not surprising.

The other hongks all reported respectable profits rises with the exception of Swire Pacific which saw its overall profits wiped out by (not untypical for the airline industry) losses at part-owned Cathay Pacific.

Last year saw a number of innovations in the banking sector. Certificates of Deposit denominated in United States dollars were introduced as a means of boosting the local money market and putting Hong Kong in a better position in relation to Singapore, a funding centre for the Asia-dollar market. But unlike their highly successful counterparts denominated in Hong Kong dollars, the United States dollar instruments met with only modest success. This suggests that Hong Kong is more a taker than a provider of offshore funds and that (withholding tax) ambiguities can still be devil funding activities in the colony.

Whether the launch early this year of United States dollar floating rate notes will be any more successful remains to be seen. Another damp squib so far has been the Hong Kong gold futures market, opened in March last year. Despite the local's strong performance about that time, most local demand seems to be for the physical commodity rather than the futures and that is where the long-established Chinese exchange excels. Undaunted, however, Hong Kong is still planning to open a currency futures market to add to gold and the still sluggish futures markets in cotton and soyabans.

a Special  
Correspondent



## Printing

## Hurtling out of space came the 'Herald Tribune'

Asian journalists had to contend with an invader from Europe when the *International Herald Tribune* came hurtling out of space in September and staked its claim to a place in the world's major growth area.

The *Tribune* which was already selling 2,000 copies in Asia despite arriving at least two days late, is aiming to increase circulation tenfold, although its break-even point is somewhere above 16,000 copies. It is giving itself three years to make it with its Asian edition sent by satellite from Paris and printed in Hongkong.

While it is still too early to forecast whether it will meet its target—although the dismissal of the editor in Paris and a drastic reorganization of the publishing department in Hongkong are hardly happy omens—the paper will face stiff competition.

Its main drawbacks are its price, which is the equivalent of 22p to 33p depending on the country, and its European bias. It will have to make a conscious effort to do well editorially in a continent which feels both large and neglected in the editorial pages of European newspapers.

Its direct competitor is the *Asian Wall Street Journal*, whose leaning towards business rather than general news coverage is an asset in selling to American and European businessmen.

The *Journal* was sufficiently worried to move its printing times forward. It had to print at 11 am but had to come with the publication of the *Tribune* four hours earlier.

The *Tribune* will have to be patient in waiting to show a profit on its Asian run if the *Journal's* experience is anything to go by. The *Asian Journal* lost 150,000 a year for three years and only in recent months has moved marginally into the black.

Another problem is distribution throughout Asia. Hongkong is an ideal publishing centre because it has good communications and financial services and is reasonably centrally located among countries with the best sales potential. Publishers suffer little government interference and pay low taxes.

Unfortunately, Asian regional newspapers and magazines suffer from overt and hidden censorship in various countries.

If a publication is lucky, censors may be satisfied with putting printer's ink in large smears down an offending article. Rather more frustrating is when issues lie around at airports, or in the Home Affairs Ministry office, for hours or days without explanation.

Uganda's thought for the *Tribune*, however, is that other publishers are clearly keen to be in Asia. Dow Jones has an interest in

the main newspaper in Hongkong, the *South China Morning Post*, and in the *Far Eastern Economic Review*, the highest selling Asian political and economic magazine, as well as pushing in with its *Asian Wall Street Journal*.

*Reader's Digest* has announced its faith in the review's rival, *Asiaweek*, by buying 80 per cent of this new publication.

Several business magazines are published in Hongkong as well as many specialist publications such as *Petroleum News* and *Computer Asia*. They are matched by a range of women's magazines which sell profitably despite printing their article twice, once in English and once in Chinese, and despite a remarkably trivial content.

Local newspapers abound. There are four English-language dailies although fewer than 100,000 people living in Hongkong speak English as their native language. Two depend on sales to highly educated Chinese; the other two are tabloids aiming for the Chinese reader to improve their English.

There are nearly 100 Chinese language newspapers, but most make little attempt to cover the news. They rely on such features as an advice column, a racing tips, specialized classified advertising and even outright pornography.

With reporters' salaries as low as £100 or less a month, journalists in the Chinese press may accept bribes to write stories or keep them out of the paper. This can be especially lucrative where show business personalities are concerned. Because of a loophole in the law, this bribery is not illegal as long as the editor knows, and he is likely to condone the receiving of gifts if that helps to keep wages down.

Until recently Hongkong has been a growth area for publication of books. Among the British publishers with operations or affiliates in Hongkong are Heinemann, Collins, Oxford University Press, Hamlyn and Longman. Apart from Chinese books, the main activity is educational books for Chinese children learning English.

Bolstering the printing industry have been substantial orders from Britain and Australia, whose publishers have found it cheaper to print in Hongkong and ship the books back.

Hongkong printers remain generally successful. The glut of printing orders swamped the printers and pushed up wages, thus eroding the twin advantages of speed and low costs that Hongkong enjoyed. The influx of immigrants from China and Indo-China brought farmers, labourers and businessmen, but certainly not printers, to bolster

this workforce in the industry. The shortage of skilled labour in the printing industry has been compounded by insufficient training facilities.

The worldwide recession brought a cut in overseas orders in the second half of last year, particularly from Britain and Australia. This affected mainly small and medium-scale printing companies.

Printers say publishers in Britain and Australia, worried about dwindling market demand, are holding up orders or placing only trial orders to test their markets. Australia used to take more than 30 per cent of Hongkong's exports of books and pamphlets, but the figure has dropped to 23 per cent.

Hongkong faces protectionism in printing as it does in other industries. Australian printers now enjoy a government subsidy equivalent to a third of the value of the printing order. Canada imposes import duties and American books printed overseas cannot be sold in the United States.

Despite the additional burden of increasing raw material costs Hongkong printers remain generally optimistic. They are depending on a high level of technical skills, high efficiency, ease of communications and still competitive costs to tide them over.

The high standards in the supporting industries, including typesetting, colour separation and camera work, help Hongkong to maintain its lead over Asian competitors such as Singapore and South Korea.

## A Special Correspondent

## Film industry

## Spread of colour TV has not signalled a decline

In the New Territories of Hongkong every last hut and shack is equipped with its own colour television set. In the West, this would surely signal the decline, if not the demise, of local cinema. But Hongkong has one of the most thriving popular film industries in the world, together with India and Japan.

Although it is such a small place Hongkong, with its population of between five and six million, rapidly on the increase, compares favourably with many of the smaller language areas of Europe—Norway, Holland, Finland and Albania, for instance—which are trying to maintain their own independent cinema production. And Hongkong films can go straight to audiences in Taiwan, Singapore, and indeed all over South-East Asia, not to mention the large Chinese communities abroad—in the United States and Britain particularly.

If the enormous potential audiences in mainland China are ever made accessible to them (it has not really happened yet, but with the constant hurrying of once hard-fought distinctions, it is always a possibility), the commercial potentialities are limitless. Especially since, although these days almost all films from Hongkong are shot in Cantonese, there exist alternative versions in Mandarin for many of them, and all are subtitled so as to be accessible to any literate person, whichever of the Chinese family of languages he speaks.

Until about 10 years ago, Hongkong films were strictly for Chinese consumption. Since then, a variety of Chinese cinema, seem to get gorier every year, with the talents of the studios' make-up and special effects departments

being pushed to the limit in the simulation of gruesome deaths, spectacular enchantments and a particular favourably hideous scarring and decomposing flesh.

The paler charms of the traditional romance with songs (often based on some episode from a classic Chinese novel like *The Story of the Stone*) seem to have been falling rather from favour, though there are always some people ready for a good cry.

The bountiful youth-oriented forces, often featuring assorted Chinese Shirley Temples and Freddie Bartholomews, or Judy Garland and Mickey Rourke, in carefully graded sizes, seem able to absorb everything from iachymose musical interlude to all-out comedy, any aficionado of *Corry On* or Czech and Czech would instantly recognize.

The biggest producer of these films in Hongkong is still Sir Run Run Shaw, working from a studio with backlogs and standing sets such as has hardly been seen in Hollywood for 20 years; enough even in Hongkong the suburban sprawl threatens to engulf it. Compared with the Shaw enterprise other studios—there are nearly 40 of them, mostly on the mainland—tend to have rather the air of Poverty Row, with their few all-purpose sets huddled together in the middle of already built-up residential or industrial districts.

Of late, the rigid studio system of production has been breaking down a little; few film-producing companies can now contrive to keep all their facilities fully occupied round the year with their own product, and so more and more often they hire out to independents. This seems to be creating

an opening for the long-desired new wave of Hongkong cinema. There has been a vocal minority of Hongkong filmmakers who are not satisfied with the fare regularly offered by local film makers, and feel that the time is ripe for something a little more adventurous.

An increasing number of young Hongkong Chinese, also, have been studying at film schools in Britain and America, and coming back with bright new ideas which they want to put into effect.

Last year's Hongkong international film festival (another effective impetus for change in Hongkong cinema) included six first feature films completed that year. Only one, *The Butterfly Murders*, was a big-budget martial arts film (handled with freedom and independence); three were independent productions by new companies, and the other two were financed by their own writer-directors.

Five of the six directors had studied abroad, and the sixth had a background in experimental cinema; five had worked extensively in television, and the sixth was already experienced in documentaries. These films, which were merely a selection from a far larger number of independent and first features produced, strongly suggest that new blood is likely to put new life into the old industry, before it becomes too mummified.

They also suggest that the industry as it stands is so effective and confident that it can absorb new talent and new ideas, and can afford to indulge them. The prospects for the 1980s seem to be good not only for quantity of production but also for quality.

John Russell Taylor

## Art market

## Not the place to buy pots

For the casual visitor with an interest in Chinese ceramics, Hongkong is definitely not the place to buy pots. Its shops abound with clever modern fakes, and even respectable dealers feel little compunction in passing them on to the unwary as genuine.

If you are serious in your intentions, you must go with carefully prepared introductions to the few dealers who handle genuine wares, and with enough knowledge to convince them that you are a desirable client. They cannot be found without guidance; their shops may appear to be something quite else, one a junk shop, one a jeweller.

Alternatively, you can time your visit to Hongkong to coincide with the series of sales that Sotheby's hold there every spring and autumn. Sotheby's have been holding sales in Hongkong since 1973 and have achieved a remarkable transformation of the market. The sales have been organized under the control of a Sotheby's director, Mr Julian Thomson, a Cambridge mathematician turned sinologist; he is among the most respected connoisseurs of Chinese art to be found today in either East or West.

The first impact of Sotheby's sales in Hongkong was to bring the market in genuine, important ceramics out into the open.

Their policy is not generally to take goods from the West to sell there, but to auction goods that come in for sale locally, genuine and carefully vetted. The auction is thus predominantly on goods that appeal to Chinese taste.

Most prized by Chinese collectors are the Imperial Ming and Qing wares; that is, wares made in the imperial kilns between the fifteenth and eighteenth centuries, either for use in the emperor's palaces, or as gifts for devoted friends and attendants. Characteristic are the paper-thin porcelain cups and dishes decorated in colours with flowers and fruit, unregimented by symmetry, but beautifully and carefully placed in relation to the form of the piece to be decorated. Often small, they are the epitome of refinement.

As the years have gone by, the taste of Chinese collectors appears to have moved backwards. Fourteenth and fifteenth century Ming blue and white wares were first sought after with enthusiasm about five years ago.

More recently, and this was particularly underlined by the sale of the great Chow collection last autumn, collectors have moved back to the Song dynasty and have begun to show an interest in Tang.

Edward T. Chow was born

in Jiangsu province in 1910 and began his career as a dealer in Shanghai. He established links with the West at an early age, even in 1949, after a short stay in New York, settled in Hongkong. He retired from dealing in 1968 and settled in Geneva until his death in 1980. He began his personal collection at about the age of 20, keeping for himself pieces whose rarity, beauty and perfect condition met his exacting standards.

The sales of the Chow collection were divided between Hongkong and London; another is due to take place in Hongkong this spring. Sotheby's worked in collaboration with Chow's friend of many years, the Paris dealer M. Michel Beurdeley. A fifteenth century Chenghua doucai chicken cup, a tiny piece of exquisite decoration and of extreme rarity, was sold for \$HK4.8m (£401,133). Sotheby's had been predicting a price of about £100,000.

Even more surprising, in a sense, was the result of the London sale which contained the pieces judged by Sotheby's to be of more Western taste. The Hongkong contingent arrived in London in force, and carried away most of the early Ming and Song ceramics. A flower-shaped brushwasher of the Song dynasty realized £330,000; it was a recent

addition to the collection, having been sold by Sotheby's in November, 1972, for a mere £14,000. The West at an early age, even in 1949, after a short stay in New York, settled in Hongkong. He retired from dealing in 1968 and settled in Geneva until his death in 1980. He began his personal collection at about the age of 20, keeping for himself pieces whose rarity, beauty and perfect condition met his exacting standards.

Things have not always gone well with these sales. On occasion there have been no buyers for important diamond pieces or other standard coloured stones. In one area, however, there has never been any slackening of demand: fine jade jewelry is always hotly competed for. Jade, especially if a fine translucent emerald green colour, is as much prized by the Chinese as are diamonds in the West.

A recent development has been auctions devoted to twentieth-century Chinese painting. Most of the artists now live in Shanghai, Hongkong or Taiwan but worked in all parts of China in pre-revolutionary days.

Geraldine Norman  
Sale Room Correspondent

## Easier times for garrison

continued from facing page

times that number were thought to have safely escaped to Kowloon. Most came overland but many also by sea, either by boat or by swimming.

The effect of this on the tiny garrison was popular. The four battalions which had been taking it in turns to guard the border, for four to six weeks at a time,

found themselves working as hard as their colleagues in Northern Ireland, although without the danger. Wives of the British battalion, whose married quarters are scattered round the colony, complained of family separation on an unprecedented scale. An additional battalion had to be sent from Britain, with specialist support, to help to push back the tide.

There were also operational disadvantages. Troops were spending so much time catching immigrants that they had no time to train for their other internal security tasks, or for the month-long jungle warfare exercises which each battalion undergoes every year in Brunei or Fiji.

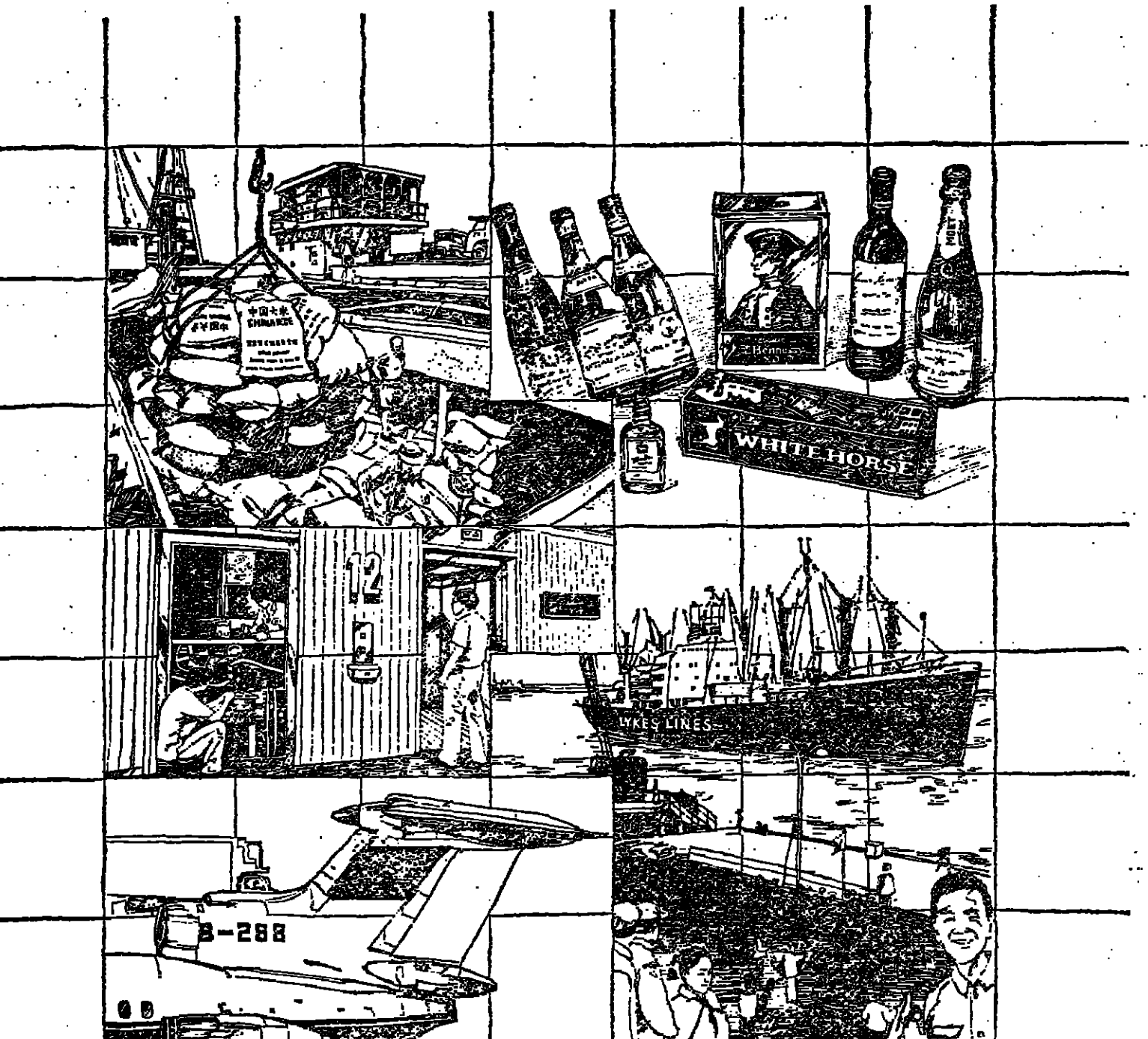
The problem has eased for several reasons, and is likely to become still more manageable in future. One reason is that a new high fence has been built on the border. Another is that the Chinese authorities are co-operating more closely than before and are preventing many would-be immigrants from reaching the frontier.

The most important reason however was the recent ending of the "touch base" rule, under which those who escaped the garrison's net were allowed to stay in the colony. The need to have an official identification card to find work has meant that illegal entry is no longer worth the effort and the risk. Nearly 500 a day were caught in the last week before the "touch base" era ended, but the number dropped to 28 or so overnight.

The burden on the garrison should grow lighter as a result of the latest DCA which was signed last October. The need to revise the agreement arose from the effect of rising costs. The new one, while not altering the proportion of costs paid by Britain and the Hongkong Government, has in effect meant that Hongkong will pay more through an improvement in the accounting system.

But Britain in turn agreed to return the second battalion, which had earlier been withdrawn, on a permanent basis. Illegal immigration was not directly the underlying reason,

Henry Stanhope  
Defence Correspondent



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## HONGKONG

## Property

## Second most expensive real estate in the world

Commercial and residential property prices in Hong Kong have tripled since 1977 and prime sites in the Central business districts are now second only to the City of London as the most expensive real estate in the world.

Late in 1980 a site on the edge of the Central area suitable for office development was auctioned by the Hong Kong Government for the record price of \$HK26,245 (£2,125) a square foot. (All land in the colony is owned or leased by the Government, which grants leases to purchasers.) Land costs of this magnitude, coupled with a general maximum plot ratio of 18:1, have pushed up the purchase price of top-class office accommodation over \$HK5,000 a square foot. Residential accommodation has experienced a similar growth rate, and apartments of more than 1,500 sq ft in better residential areas sell for more than \$HK2m.

At the root of this large increase in accommodation costs has been an unprecedented influx of foreign companies, particularly banks, keen to establish a

bridgehead in Hong Kong. For commercial companies the attraction has been the China trade, which was widely expected to grow rapidly after the normalization of relations between the United States and China. Banks and financial institutions have arrived in numbers in the colony as its bond, loan and money markets have grown under the Government's laissez faire economic policies.

Since May 1978 a further 41 foreign banks have opened Hong Kong branches, bringing the total to 115, despite a government moratorium on new licences imposed in August 1979. Even more financial institutions have established deposit-taking companies to tap the vast sums flowing into the colony from neighbouring South-East Asian countries. According to statistics from the Commissioner for Banks there are 279 such companies operating at present.

All these institutions want office space in the highly regarded Central district and their expatriate staff want houses or apartments on the Peak. Until recently almost all such accommodation was built as office space, and as office rents increased from \$HK10 to \$HK30 a square foot a month and those of high quality residences trebled or quadrupled to \$HK50,000 a

month or more an increasing number of institutions decided to buy their accommodation. This has led to a sharp reduction in yields, which now average 7 per cent compared with 10 per cent four years ago.

The biggest recent purchase was by the Bank of America, which bought 25 floors of Gammon House (now renamed Bank of America Tower) for \$HK1,000m. The history of Gammon House illustrates the wheeling and dealing which is a major feature of Hong Kong's property market.

The building was constructed and owned until 1973 by Jardine Matheson. It was then sold to Jardine's associate, Hongkong Land, the colony's largest property company, for \$HK175m. In 1979 Hongkong Land sold the building to the Carian Group, a mysterious company representing undisclosed South-East Asian interests. In 1980 this company sold Gammon House to another company owned by anonymous foreign shareholders, Bylamsan, for \$HK1,680m, and later in 1980 Bylamsan sold the majority of the 40-storey building to Bank of America.

Not only the top of the market attracted such rapid movements. Property speculation rivals the stock markets and horse racing as the favourite local form of gambling. Small investors have been able to participate directly in the property boom because of the unusual method by which developments are financed in the colony. Until recently it was possible for a developer to construct a building while providing less than 10 per cent of the cost from his own funds. Many of today's big local property companies, such as Mr Li Ka Shing's Cheung Kong Holdings and Sun Hong Kai Properties, financed their growth by using government and public funds.

Land was the most expensive item, frequently accounting for 70 per cent of the total cost, but the Government accepted deferred payments spanning several years at attractive interest rates. A developer who owned land needed only a set of architect's plans before he could pre-sell units in the building to end-users and speculators. They paid a deposit and then made progress payments as the development neared completion, financing the cost of construction.

This method was obviously attractive to developers, but it also captured the Hong Kong public's imagination, and in 1980 queues camped overnight outside property

company offices to secure prime lots in forthcoming developments.

A lively secondary market in partly paid contracts also developed, and opportunists were even selling their places in the queues of people waiting to place their deposits. But this trend, and the soaring property prices it produced, suffered a big setback in mid-1980 when the Government introduced residential rent controls, giving tenants security of tenure and limiting increases to 21 per cent every two years. It also hinted that controls on commercial rents and pre-selling developments were being considered.

This had a profound effect on local property investors, who had come to take the Government's laissez faire attitude for granted. The market in small flats, the most popular form of pre-sold development, dropped by 20 per cent in a few months and many speculators were left with unsalable contracts. The move also created a two-tier rental market as landlords increased rents being asked for new residential property by as much as 100 per cent to avoid being left behind by subsequent increases. This has led to newcomers in sought-after locations paying two or three times more rent than their established neighbours.

The only sector of Hong Kong's property market which has not experienced big price increases is industrial accommodation. Stagnation in the colony's manufacturing activity has left rents below \$HK3 a square foot a month, prompting owners of factories in suitable locations to convert their buildings to offices. In more remote areas of the New Territories the Government is trying to attract new industries by offering sites on industrial estates at attractive rents, but apart from a Carlsberg brewery it has had little success.

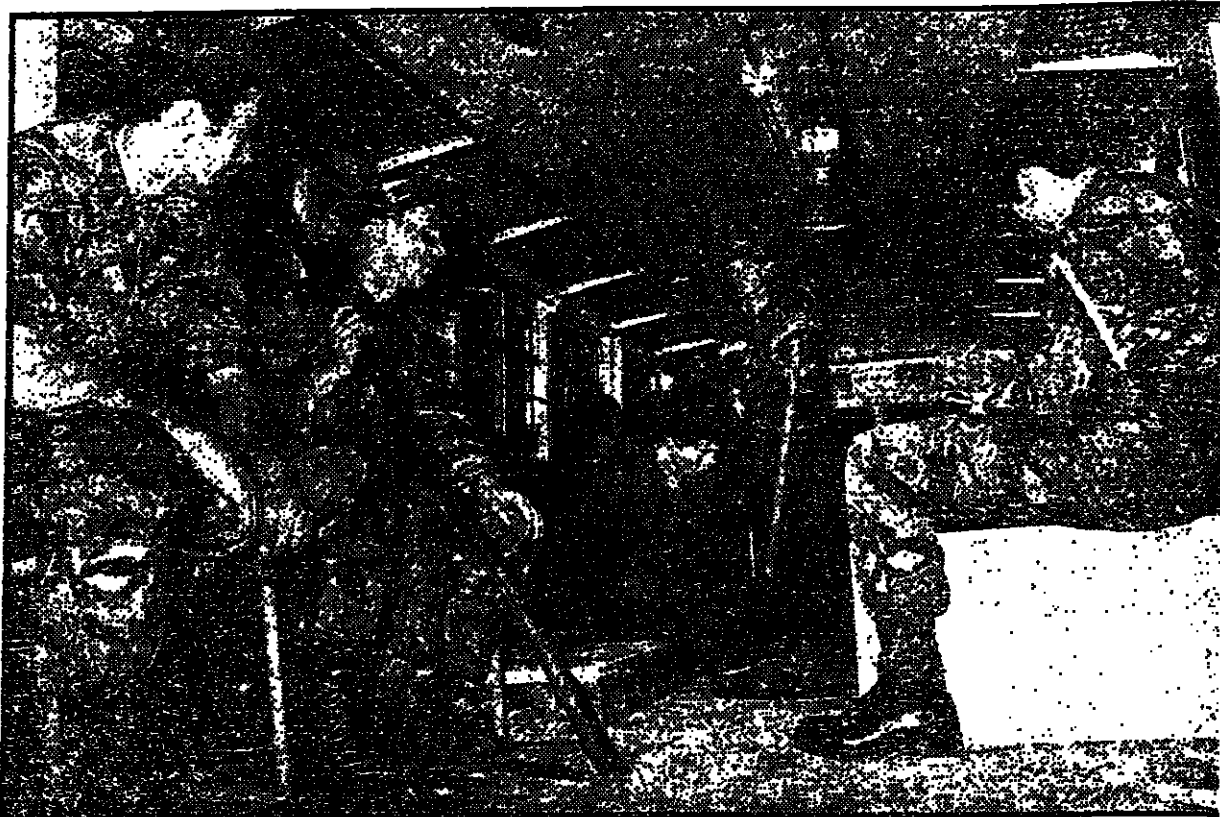
Many businesses have been discouraged by the difficulty of attracting skilled workers to such locations, and Hong Kong is now falling behind Singapore in its attempts to foster high technology manufacturing, despite relatively low accommodation costs.

Local estate agents give a warning that the upward movement of rents and capital values will not continue at its present pace, and several forecasts that 1981 will see stagnation in all but prime office properties. Their reasoning is that supply, which has lagged behind in the past two years, is now rapidly overtaking demand.

Paul Wilson

## Immigration

## Illegal entries have effectively been stopped



British soldiers question an illegal immigrant.  
Photograph: Andrew Ward

Hong Kong's population problem will be formally assessed when the 1981 census, which begins in mid-March, is completed. Until the planners have a more accurate picture of the population, the provision of housing, medical and welfare services and the setting up of other social projects can be little more than the drawing of blueprints in a dimly-lit room.

The problem of estimating the size of the population has always been aggravated by illegal immigration from China. Since October 23, 1980, however, this influx has effectively been stopped. On that day the British administration abandoned its liberal, but socially disastrous, policy of allowing all mainland Chinese who entered the colony illegally, but who managed to evade capture, to remain. The risk of capture was greatest at the land frontier and the sea approaches to Hong Kong, and evaporated once the illegal immigrant reached the urban areas, where he could turn up at Victoria Barracks and apply for a Hong Kong identity card the next day.

But from October 26 onwards (there was a three-day grace for all illegal immigrants who had entered before October 23 to apply for identity cards) carrying of identity cards became compulsory throughout the colony, and anyone found without one (if he turned out to be an illegal immigrant) would be repatriated. Fines of up to \$HK2,000 (£165) were imposed on residents who failed to produce an identity card on demand by the security forces. Employment of people with no identity cards or other specified documents was also banned. Fines of up to \$HK50,000 and three years in jail were heavy deterrents.

However, the expected rush for identity cards never materialized. Immigration officials had prepared facilities to cope with 100,000 applicants, but when the 72-hour grace period ended, only 6,952 had surfaced.

Almost immediately after this, a new problem emerged—the "illegals" from Macau and the Indian sub-continent caused by the same net and employment ban, but who were not given a grace period during which to register for legal residence. A number of illegal immigrants from Macau quickly organized themselves to petition Sir Murray MacLehose, the Governor, for an amnesty. The authorities, however, steadfastly refused, despite a great deal of public sympathy for this category of "illegals".

Community leaders argued that this minority had never been a burden on the economy; many had raised families and settled peacefully in the overcrowded colony. The processing of these Macau and sub-continent illegal immigrants is still going on, but a few have been repatriated. Illegal immigration from China and Macau is now down to a trickle and those captured have attempted to enter during the holiday breaks at Christmas and the Chinese New Year. Most maintain they were unaware of the new policy.

Thousands of identity cards have been reported missing but the police are unable to say whether these have been stolen for purposes of forgery or lost through carelessness. The fear that the tough policy would create an illegal sub-world has so far not been substantiated although police sources say as much as 64 per cent of armed robberies of goldsmiths' shops and other violent quick-cash crimes are committed by "illegals".

Scrapping the "touch-and-go" policy, however, has plugged only one immigration hole; an average of 150 Chinese are still entering the colony legally every day and officials say this number is still much too high. Legal immigration from China at this rate adds 55,000 people to the population each year, and the Government wants this to be reduced to 50 a day. Talks with the Chinese authorities on this issue, if they have been held, have not been publicized.

Most Chinese who enter legally stay on: only 3 per cent eventually return home, immigration officials say. The Government is, consequently, applying stricter rules on visa extensions. Now that immigration is not such a problem, the Government is faced with the unenviable task of creating a better social environment for the population, officially estimated at 5,067,500 in June, 1980.

The only person who thinks this figure is "probably correct" is the Director of the Census and Statistics Department. Everyone else, including the 6.5 million people in Hong Kong, such estimates are based on rough visual surveys of overcrowded hospital wards, schools and public transport facilities. If the population census does show a much higher figure than 5,100,000, the problem of providing adequate social services will be enormous.

Some \$HK3,500m (£289m) is already needed to build enough public housing, hospitals and clinics, schools and industrial training workshops for the 250,000 Chinese estimated to have entered legally and illegally since January 1978. All this would

only maintain existing levels of service, according to the Government.

Observers quickly add that existing levels are already far from adequate. There is also the problem of unemployment. The latest Labour Department figures show that 101,500 people are unemployed—4 per cent of the working population. Although Hong Kong's unemployment rate can hardly be deemed a problem in

international terms, the social effects of even a limited recession in this overcrowded colony cannot be taken lightly. This dip is already evident in the manufacturing sector, which employs 42 per cent of the workforce. Of this, 54 per cent is said to comprise immigrant Chinese youths, most of whom are barely literate and will not find work in a slack labour market. Their discon-

tent at not finding a "better life" which they thought lay over the horizon, coupled with the lack of commitment to Hong Kong work ethic, or well present as difficult problems as the illegal world the Government faces the closing of the immigration doors would bring.

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## Defence

## Easier times for the garrison

The popular impression of a Hong Kong posting as a sunny vacation for soldiers bored with life at home or in West Germany has been outdated by events of the past five years. But the life and hard times of the 6,000-strong garrison should become a little easier during the 1980s.

The garrison was reduced to its present size under the Defence Co-operation Agreement (DCA) of 1976, which also committed the Hong Kong Government to pay three quarters of the cost of maintaining it. Britain withdrew an infantry battalion, an artillery regiment and an armoured reconnaissance squadron, removed one of the two brigade headquarters, and made other cuts in the naval and RAF strengths.

Of those remaining only 1,500 are British. These include an infantry battalion with six (temporarily eight) Scout helicopters of the new £7m tower block at

Army Air Corps; a Royal Navy contingent of nearly 500, with five elderly patrol boats, which are converted Ton-class minesweepers; and 265 RAF men equipped with eight Wessex helicopters. Negotiations are going on to replace the naval craft with new, purpose-built patrol boats, but the RAF is happy to retain its Wessex helicopters which, it says, are ideal for the job. There is also a Royal Marines small boat section, on temporary reinforcement duties, which might well remain.

The rest of the garrison is made up by three of the Army's five Gurkha battalions, all of which are stationed in the New Territories, as is the brigade or field force headquarters. The British battalion has its home at Stanley Fort, on the far side of Hong Kong island. But the Commander British Forces (CBF) and his staff have their headquarters in a new £7m tower block at

HMS Tamar, the old naval shorebase. The CBF recently moved there from Victoria Barracks, the leafy compound where his predecessors had administered the pax Britannica for 135 years. The present CBF is Major-General John Chapple. He is a former Gurkha officer, but that is a rare coincidence.

The garrison has several roles, the least convincing of which is to defend Hong Kong against external aggression. The main external threat to the tiny colony is that China, which recognizes Hong Kong de facto but not de jure, might one day press for its return to Chinese rule. There is no imminent danger of the Chinese doing so, but if they did nobody pretends that the garrison could stop them. The troops also undertake a certain amount of community relations work, running youth camps, building roads and fetching water in times of drought. But this

activity has declined recent years, partly because it takes time and money, but also because the locals, not thought to have been very appreciative. The main role is that internal security, acting support of the police as an Army does in Northern Ireland, although Northern land does not represent very happy analogy. Nevertheless there were big riots in 1967, as an overpopulation of the People's Republic, with so many people in a small space, the police would probably not be able to cope on their own. Most of the garrison time during the past five years has been monopolized by the problem of the immigration. Last year Chinese were caught, average, each day by British and Gurkha patrols on border—and nearly 50 continued on facing p

## Hong Kong

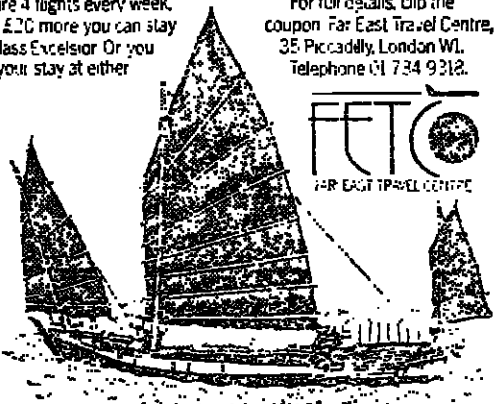
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مركز الاتصال



## Printing

## Hurtling out of space came the 'Herald Tribune'

Asian journalists had to contend with an invader from Europe when the *Herald Tribune* came hurtling out of space in September and staked its claim to a place in the world's major growth area.

The *Tribune* was already selling 2,000 copies in Asia despite arriving at least two days late, is aiming to increase circulation tenfold, although its break-even point is somewhere about 16,000 copies. It is giving itself three years to make £2 million with its Asian edition sent by satellite from Paris and printed in Hongkong.

While it is still too early to forecast whether it will meet its target—although the dismissal of the editor in Paris and a drastic reorganization of the publishing department in Hongkong are hardly happy omens—the paper will face stiff competition.

Its main drawbacks are its price, which is the equivalent of 22p to 33p depending on the country, and its European bias. It will have to make a conscious effort to do well editorially on a continent which feels big and large neglected in the editorial pages of European newspapers.

Its direct competitor is the *Asian Wall Street Journal*, whose leaning towards business rather than general news coverage is an asset in selling to American and European businessmen.

The *Journal* was sufficiently worried to move its printing times forward. It had to cope with the publication of the *Tribune* four hours earlier.

The *Tribune* will have to be patient in waiting to show a profit on its Asian run if the *Journal*'s experience is anything to go by. The *Asian Journal* lost £500,000 a year for three years and only in recent months has moved marginally into the black.

Another problem is distribution throughout Asia. Hongkong is an ideal publishing centre because it has good communications and financial services and is reasonably centrally located among countries with the best sales potential. Publishers suffer little government interference and pay low taxes.

Unfortunately, Asian regional newspapers and magazines suffer from overt and hidden censorship in various countries.

If a publication is lucky, censors may be satisfied in putting printer's ink in large smears down an offending article. Rather more frustrating is when issues lie around at airports, or in the Home Affairs Ministry office, for hours or days without explanation.

An encouraging thought for the *Tribune*, however, is that other publishers are clearly keen to be in Asia. Dow Jones has an interest in

the main newspaper in Hongkong, the *South China Morning Post*, and in the *Far Eastern Economic Review*, the highest selling Asian political and economic magazine, as well as pushing in with its *Asian Wall Street Journal*.

Reader's Digest has announced its faith in the review's rival, *Asiaweek*, by buying 80 per cent of this newer publication.

Several business magazines are published in Hongkong as well as many specialist publications such as *Petroleum News* and *Computer Asia*. They are matched by a range of women's magazines which sell profitably despite printing every article twice, once in English and once in Chinese, and despite a remarkably trivial content.

Local newspapers abound. There are four English-language dailies although fewer than 100,000 people living in Hongkong speak English as their native language. Two depend on sales to highly educated Chinese; the other two are tabloids aiming for the Chinese eager to improve their English.

There are nearly 100 Chinese language newspapers, but most make little attempt to cover the news. They rely on such features as an advice column, a trouble-shooter, racing tips, specialized classified advertising and even outright pornography.

With reporters' salaries as low as £100 or less a month, journalists in the Chinese press may accept bribes to write stories or keep them out of the paper. This can be especially lucrative where show business personalities are concerned. Because of a loophole in the law, this bribery is not illegal as long as the editor knows, and he is likely to condone the receiving of gifts if that helps to keep wages down.

Until recently Hongkong has been a growth area for publication of books. Among the British publishers with operations or affiliates in Hongkong are Heinemann, Collins, Oxford University Press, Hamlyn and Longman. Apart from Chinese books, the main activity is educational books for Chinese children learning English.

Boosting the printing industry have been substantial orders from Britain and Australia, whose publishers have found it cheaper to print in Hongkong and ship the books back.

Hongkong printers became too successful. The glut of printing orders swamped the printers and pushed up wages, thus eroding the twin advantages of speed and low costs that Hongkong enjoyed.

The influx of immigrants from China and Indo-China brought farmers, labourers and businessmen, but certainly not printers, to bolster

this workforce in the industry.

The shortage of skilled labour in the printing industry has been compounded by insufficient training facilities.

The worldwide recession brought a cut in overseas orders in the second half of last year, particularly from Britain and Australia. This affected mainly small and medium-scale printing companies.

Printers say publishers in Britain and Australia, worried about dwindling market demand, are holding up orders or placing only trial orders to test their markets.

Australia used to take more than 30 per cent of Hongkong's exports of books and pamphlets, but the figure has dropped to 23 per cent.

Hongkong faces protectionism in printing as it does in other industries. Australian printers now enjoy a government subsidy equivalent to a third of the value of the printing order. Canada imposes import duties and American books printed overseas cannot be sold in the United States.

Despite the additional burden of increasing raw material costs Hongkong printers remain generally optimistic. They are depending on a high level of technical skills, high efficiency, ease of communications and still competitive costs to tide them over.

The high standards in the supporting industries, including typesetting, colour separation and camera work, help Hongkong to maintain its lead over Asian competitors such as Singapore and South Korea.

A Special Correspondent

## Film industry

## Spread of colour TV has not signalled a decline

In the New Territories of Hongkong every last hut and shack is equipped with its own colour television set. In the West, this would surely signal the decline, if not the demise, of local cinema. But Hongkong has one of the most thriving popular film industries in the world, together with India and Japan.

Although it is such a small place Hongkong, with its population of between five and six million, rapidly on the increase, compares favourably with many of the smaller language areas of Europe—Norway, Holland, Finland and Albania, for instance—which are trying to maintain their own independent cinema production. And Hongkong films can go straight to audiences in Taiwan, Singapore, and indeed all over South-East Asia, not to mention the large Chinese communities abroad—in the United States and Britain particularly.

If the enormous potential audiences in mainland China are ever made accessible to them (it has not really happened yet, but with the constant blurring of once hard-and-fast distinctions, it is always a possibility), the commercial potentialities are limitless. Especially since, although these days almost all films from Hongkong are shot in Cantonese, there exist alternative versions in Mandarin for many of them, and all are subtitled so as to be accessible to any literate person, whichever of the Chinese family of languages he speaks.

Until about 10 years ago, Hongkong films were strictly for Chinese consumption, since they did not have any of the obvious cultural advantages presented by the best of Japanese and Indian cinema. Nor any of the cul-

tural pretensions: this was unashamedly popular cinema directed straight at the heart of its reliable mass audiences.

That situation did not change, but the international vogue of the kung fu movie, fuelled by the presence of the first Chinese international superstar, Bruce Lee, demonstrated that Hongkong films' unaffected values as thoroughly professional popular entertainment were effective far beyond the Chinese community.

Though kung fu has faded a little in popularity—to be replaced it seems by the less imaginative urban violence of the new Hollywood vigilante cycle—a number of Hongkong-made kung fu movies still find extensive international release, providing a useful open door into world markets which perhaps Hongkong film-makers will be able to find other ways of exploiting.

However, the remains just the dirt on the picture. Production of feature films has been steadily rising in Hongkong during the past few years. In 1979, 91 features were made; in 1980, 105; and though figures for 1981 are not yet available, the indications are that there has been a further increase.

Most of these films fall into one of four clear categories: martial arts, ghost stories, musical romances and broad comedies, usually with the accent on youth.

The martial arts films often contain elements verging on the supernatural, but as a rule their limits are strictly defined. The ghost stories, always a staple of Chinese cinema, seem to get gorier every year, with the talents of the studios' make-up and special effects departments being pushed to the limit in the simulation of gruesome deaths, spectacular enchantments and a particular favourite: hideous scarring and decomposing flesh.

The paler charms of the traditional romance with songs (often based on some episode from a classic Chinese novel like *The Story of the Stone*) seem to have been falling rather from favour, though there are always some people ready for a good cry.

The bouncy youth-oriented farces, often featuring assorted Chinese Shirley Temples and Freddie Bartholomews, or Judy Garland and Mickey Rooney's, in carefully graded sizes, seem able to absorb everything from jachymose musical interlude to all-out comedy or Czech and Czech would instantly recognize.

The biggest producer of these films in Hongkong is still Sir Run Run Shaw, working from a studio with backlots and standing sets such as has hardly been seen in Hollywood for 20 years; though even in Hongkong the suburban sprawl threatens to engulf it. Compared with the Shaw enterprise other studios—there are nearly 40 of them, mostly on the mainland—tend to have rather the air of Poverty Row, with their few all-purpose sets huddled together in the middle of already built-up residential or industrial districts.

Of late, the rigid studio system of production has been breaking down a little: a few film-producing companies can now contrive to keep all their facilities fully occupied round the year with their own product; and so more and more often they hire out to independents.

This seems to be creating an opening for the long-desired new wave of Hongkong cinema. There has been a vocal minority of Hongkong filmmakers who are not satisfied with the fare regularly offered by local film-makers, and feel that the time is ripe for something a little more adventurous. An increasing number of young Hongkong Chinese, also, have been studying at film schools in Britain and America, and coming back with bright new ideas which they want to put into effect.

Last year's Hongkong International film festival (another effective impetus for change in Hongkong cinema) included six first feature films completed that year. Only one, *The Butterfly Murders*, was a big-budget martial arts film (hardly with freedom and independence: three were independent productions by new companies, and the other two were financed by their own writer-directors).

Five of the six directors had studied abroad, and the sixth had a background in experimental cinema; five had worked extensively in television, and the sixth was already experienced in documentaries. These films, which were merely a selection from a far larger number of independent and first features produced, strongly suggest that new blood is likely to put new life into the old industry, before it becomes too mummified. They also suggest that the industry as it stands is so effective and confident that it can absorb new talent and new ideas, and can afford to indulge them. The prospects for the 1980s seem to be good not only for quantity of production but also for quality.

John Russell Taylor

## Art market

## Not the place to buy pots

For the casual visitor with an interest in Chinese ceramics, Hongkong is definitely not the place to buy pots. Its shops abound with everlastingly new, cheap, modern fakes, and even respectable dealers feel little compunction in passing them on to the unwary as genuine.

If you are serious in your intentions, you must go with carefully prepared introductions to the few dealers who handle genuine wares, and with enough knowledge to convince them that you are a desirable client. They cannot be found without guidance: their shops appear to be something quite else, one a junk shop, one a jeweller.

Alternatively, you can time your visit to Hongkong to coincide with the series of sales that Sotheby's holds there every spring and autumn. Sotheby's have been holding sales in Hongkong since 1973 and have achieved a remarkable transformation of the market. The sales have been organized under the control of a Sotheby's director, Mr Julian Thomson, a Cambridge mathematician turned sinologist; he is among the most respected connoisseurs of Chinese art to be found today in either East or West.

The first impact of Sotheby's sales in Hongkong was to bring the market in genuine, important ceramics out into the open.

Their policy is not generally to take goods from the West to sell there, but to auction goods that come in for sale locally—genuine, carefully vetted goods. The accent is thus predominantly on goods that appeal to Chinese taste.

Most prized by Chinese collectors are the Imperial Ming and Qing wares; that is, wares made in the imperial kilns between the fifteenth and eighteenth centuries, either for use in the emperor's palaces, or as gifts for devoted friends and attendants. Characteristic are the paper-thin porcelain cups and dishes decorated in colours with flowers and fruit, unengrammed by geometry, but beautifully and carefully placed in relation to the form of the piece to be decorated. Often small, they are the epitome of refinement.

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More recently, and this was particularly underlined by the sale of the great Chow collection last autumn, collectors have moved back to the Song dynasty and have begun to show an interest in Tang.

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Tory and Labour politicians on the need for a new deal for ratepayers

# Rates: picking up the bill for rough justice

Rate increases proposed for next year range so far from a reduction of 9.8 per cent by Eastbourne to an increase of 130 per cent by Bassetlaw. Ratepayers will be neither as well off nor as badly off respectively when the county precepts are added to these eccentric changes, but they indicate a range which cannot simply be ascribed to "good housekeeping" on the one hand and "wilful profligacy" on the other.

There are a few councils, Labour controlled and with Lambeth in the van as always, which are refusing to make the spending reductions called for by the Government, but that does not explain why loyal Conservative councils such as Wandsworth and Kensington and Chelsea are putting up their rates by 30-50 per cent, way above the inflation rate and the hopes of Mr Michael Heseltine.

Local government finance is in a mess, and then that happens, as it did in 1974-75 with reorganization, and now with changes in the rate support grant system, rates become the scapegoat because they are so easily identified.

The rating system itself has two main drawbacks. It takes no account of ability to pay, except for allowing rate rebates, and it fails to tax a large number of earners who are not ratepayers.

The Conservative party are pledged to the abolition of domestic rates, but are still trying to find an alternative which will enable them to do so. Now the Labour party has finally joined them. Mr Gerald Kaufman, shadow environment minister, told the party's local government conference last month that the rating system was an "irrational, ineffective and highly-resented form of tax."

On Saturday, the Conservatives held their local government conference, with a full hand of Government ministers to rally the councillors to



Mr Heseltine and Susan Eastbourne, where the rates are actually going down.

greater feats of loyalty. Mr Heseltine, Secretary of State for the Environment, and Mr Tom King, Minister for Local Government, will doubtless defend the new block grant system and compare Conservative "goodies" with Labour "baddies".

There are, however, a large number of Conservative as well as Labour councils which have failed to comply with the Government's targets. Local authorities have been set different targets—a reduction of three per cent over spending targets this year over recently a reduction of 5.6 per cent over spending in 1978-79. They also have their individual grant related expenditure assessments (GREAs) which are designed to give each council an indication of the cost of

providing a typical standard of service.

Latest figures show that most county councils have set budgets substantially above their GREAs and have exceeded the target for a 5.6 per cent reduction. Overall, it is estimated by the Society of County Treasurers that the excess could be £400-500m.

A shift in resources from London and the other metropolitan areas to the shire counties has helped them to keep their rate increases down to an average just in double figures, with Humberside managing a reduction and Wiltshire a nil increase.

That shift has to be paid for, and London is worst hit, losing an estimated £200m. Mr Heseltine provided a safety net to prevent too big a drop, but has

set it so close to the ground that no trapeze artist would trust it.

Looking at the Government guidelines the Chartered Institute of Public Finance and Accountancy—which represents treasurers in local authorities and the public sector—estimated that rate increases on average could be very small, or even nil, if all those guidelines were followed.

The difficulty is in complying with the guidelines, which include the 5.6 per cent spending reduction and allowances of 6 per cent for pay increases and 11 per cent for price inflation. A likely overspending in the year ending March 31, 1981, and the withholding of grant as a penalty, makes the 5.6 per cent reduction target even less accessible.

All the pay increases so far agreed, including the firemen, manual workers and now the teachers, would 7.5 per cent have exceeded the 6 per cent pay target.

Councils traditionally over-budget and allow for higher inflation than the guidelines, and both of these factors, whether needed or not, will raise the rates. A further difficulty comes with the new distribution system, which has no effect on the overall size of the grant, but gives some councils more, taking from others.

In practice, those authorities gaining grant will not use all of it to reduce their rates, using some to preserve services and to swell the reserves. Taking all these into account, CIPFA has estimated that rates will on average in-

crease by 20 per cent. The one area which Mr Heseltine believes should yield the necessary savings is in manpower, which represents 70 per cent of local government costs. It is one which local authorities have so far resisted. Since the Government cannot cut power, staff in England dropped by 1.7 per cent, 32,578, which scarcely dents the 2m total. There are signs that staff are being shed at a faster pace now, with an estimated 5,000 jobs lost each week.

Wandsworth's efforts to reduce their staff by 700 (10 per cent) were immediately hampered by union opposition. While the Lambeths refuse to cut their services and prepare to face the penalty at their ratepayers' expense, other councils are reducing their services.

Essex county council have increased their rate precept by 10.8 per cent, and their budget is almost exactly in line with the Government's GREA target. They have not succeeded in achieving the 5.6 per cent cut.

The reductions to be made in services go across all the services and are mostly small. They range from reductions in school catering, and a decision to clean school windows only once a year to a reduction in the surfacing of roads and single manning on mobile libraries.

The one example of Essex shows that services are gradually and perceptibly being reduced, while charges increase. Mr Heseltine admitted that the first year of the new grant system would inevitably contain an element of rough justice. That is all too apparent, and the wide disparity in rate increases is less an indication of the different spending decisions of local authorities than the result of Government grant changes.

Christopher Warman  
Local Government Correspondent

Bernard Levin

## Who wants to live for ever?

Considering that the only thing we know with complete certainty about ourselves from the day we are born is that we are going to die and that there is nothing we can do about it, it has always struck me as curious that we spend extraordinarily large amounts of time and energy trying to persuade ourselves to the contrary. Whether the search for immortality comes from our fear of what happens in that undiscovered country from whose bourne no traveller returns, or from a life-instant so strong that it simply cannot accept the finite nature of life, or from the conviction that if we could only put off the inevitable a little longer we would understand before we die that which we are brought into the world to understand, I cannot say. (And, now I come to think of it, I would be a very remarkable fellow if I could.) But I have always been fascinated by the hunt for the philosopher's stone of eternal life on earth, a hunt which is briefly intensified every few years when scientists announce that the elixir has been found, in the form of a diet consisting, say, entirely of raw meat, or one excluding even the smallest particle of raw meat, a menu based on milk and cheese, or on the strict avoidance of all dairy products, a regimen of fasting every day, or a stern injunction to touch no food before lunch.

Do this (or, as it might be, that), say the promoters of the latest fashion in longevity, and you will live to be a hundred or more, as has been demonstrated beyond all possibility of argument by the fact that white mice fed on the fad have on average lived for nearly a week longer than those given more conventional food.

These thoughts are prompted by a series in the *Sunday Mirror*, and in particular by the argument of a Mr Nathan Fritkin, who insists that if you follow his diet (as much chicken and turkey as you can carry away, likewise bread and tinned fruit) there is no reason why you should not live to be 120. More: "When you are 105 you should still be enjoying life and playing doubles tennis." (Partnered by your grandfather, no doubt.)

Now, I have no wish to play tennis at any age, never mind 105. I shall not, therefore, immediately start to live by Mr Fritkin's precepts (no salt or salad-dressing, incidentally) particularly since in a couple of years since deuterio-Fritkin will be playing doubles tennis with me. I shall, however, avoid chicken and turkey and swallow huge quantities of salt and salad-dressing we can be playing rugger at the age of 150. But what I want to do is to draw attention to the fact, almost as curious as the yearning for long life that has always consumed mankind, that in almost all of the accounts of those who have imagined immortality and created a fictional portrait of it, the condition is depicted as being a great deal worse than death.

The most terrible of these demonstrations that God is not mocked is, of course, that of the Struldbruggs in *Gulliver's Travels*. When Gulliver gets to Luggnagg, he learns that a tiny number of men and women, distinguished at birth by a certain mark over the left eyebrow, are immortal, and he goes into transport at the prospect of joy at the thought of such good fortune, cataloguing the varieties of discovery, creation and wisdom that he would set himself to experience if he were one of them.

The Luggnaggians promptly disabuse him, explaining that the prospect of living for ever, so far from pleasing those condemned to it, is a source of terror to them, and no wonder: At Ninety they lose their Teeth and Hair; they have at that Age no Distinction of Taste, or smell, or touch, or sound, or sight, or feeling, or Appetite. . . . In talking they forget the

common Appellations Things, and the Names of Persons, even of those who are their nearest Friends and Relations. For the same Reason they can never amuse themselves with reading, because their Memory will not serve to carry them from a Beginning of a sentence to the End. . . . The Language of the Country being always upon the Flux, the Struldbruggs of one Age do not understand those of another; neither are they able after two Hundred Years to hold any Conversation with their Neighbours the Mortals. . . . They are despised and hated by all Sorts of People. They were the most terrifying Sight I ever beheld, and the Women more horrible than the Men. Beside the usual Deformities of extreme old Age, they acquired an additional Chininess in Proportion to the Number of Years, which not to be described. . . . The Reader will easily believe that from what I had heard and seen, he keenly anticipated Perpetuity of Life was much abated. . . . and though no Tyrant could invent Death into which I would run with Pleasure from such a Life.

In almost all of the accounts of those who have imagined immortality . . . the condition is depicted as being a great deal worse than death

An even more horrible fate befalls a couple who have stumbled upon the elixir in or of Aldous Huxley's novels. I think it is *Time Must Have Stop*, but they are all more or less interchangeable; the retain full consciousness, but degenerate. . . . James Hilton's *Shangri-la* everybody lives for ever, or nobody even ages; but even there there is a catch, for a citizen who strays outside crumbles away at once. As if Shaw's version in *Back to Methuselah* he clearly intends to be impressed by the unimaginably lofty existence of his immortals, but that is theory talking; his unconscious directed him to portray them in a manner which subtly makes them even more dreadful than the Struldbruggs.

Is this, perhaps, the way to assume the unbearable pain of the realization that we are immortal, and cannot hope to be? In other words, is the consistent portrayal of indefinite prolonged life as indefinite prolonged misery nothing but fit of sour grapes on a cosmologist's part? Possibly; but possibly also, it is a recognition that the inevitability of death at around three score and ten is not something to be shunned or feared but accepted as part of a great design in our lives; Steveland Alsop, who died of a rare form of leukaemia, wrote a book *Stages of Execution* while he was waiting to discover whether it was in fact fatal, in which he summed up his feelings by saying "There comes a time when a dying man has to die, as a sleeping man has to sleep." No, I do not want to live for ever, or to play tennis, or to tennis. Besides, Methuselah lived nine hundred years.

Methuselah lived nine hundred years. But who calls it 'living'? When no gal will give in, To no guy that's nine hundred years?

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Ronald Butt is ill.

Michael Binyon reviews the unchanging attitudes of the Kremlin old guard

## Going through the motions in Moscow

No change—the message of the 26th Party Congress could not have been put over more emphatically than it was on the final day of the Congress. Brezhnev rose, with preordained applause, to announce the re-election of every single member of the ruling Politburo to his old position.

It is thought to be virtually unprecedented for no political change of any kind to be made during a Party Congress. But no Russian is surprised. Officials explained that this demonstrated the Party's full trust in the leadership and appreciation of their policies. Ordinary people said that the old men at the top, with an average age of nearly 70, had no intention of relinquishing power.

Not only is there to be no change in the faces, but also none in the party's policies. The message President Brezhnev and his prime minister, Mr Nikolai Tikhonov, aged 75, put over to the 5,000 delegates was a defiant one: whatever the critics may say, the party's ideology is true and correct, whatever the shortages and disappointments, its economic strategy is right. The Party will still lead the people to that undefined utopia, communism, but because of the machinations of its enemies and the world economic situation, this will take a little longer than promised.

The very defiance of the declarations betrays an extreme sensitivity to the critics and carries a note of despairing determination to believe, whatever the evidence. "Socialism is alive and developing. And it is not that we simply believe, we know beyond a doubt. Our supreme goal will be reached and communist society will be built," Mr Brezhnev declared.

The Russians have felt their beliefs and way of life increasingly challenged on all fronts, and wanted reassurance. The Party Congress was held to give it, publicly and lavishly. There was no debate or questioning,

for none was required. During the eight days of speeches barely a whisper of criticism of Soviet policy was heard. What was heard was a "ringing display of unity and solidarity" which could be shown to the world.

To that extent the Congress achieved its aims. All awkwardly selected delegates were carefully selected beforehand, and knew when and how long to applaud. The speakers vied with each other in heaping praise on the Party and its leaders, reading off lists of achievements accomplished.

Foreign delegates, tributes but not contributors in the words of one Western diplomat, fulfilled the role expected, and reassured Moscow that it was still the capital to which the world communist movement looked for leadership and inspiration. And those parties, such as the Italians, who looked like being awkward, were simply not allowed to speak and had to be content with addressing political rallies on the fringe of the Congress. Only Mr Gordon McLennan, secretary of the small British Communist Party, and the only speaker from a so-called Eurocommunist Party, mentioned any disagreement over Afghanistan—and then only passively.

The atmosphere was as ritualistic as the aim. There was no improvisation, no interruption, no touch of levity. Virtually the only joke was made by Professor Anatoly Alexandrov, the President of the Soviet Academy of Sciences, who referred to the light-hearted call by Mr Brezhnev at the previous Congress for a bomb to be invented against influenza. Professor Alexandrov, in his eighties, reported success: he had not been ill for five years.

But if the Party line was correct and was to remain unchanged, there had to be some explanations: why was the Soviet economy in trouble, why was Poland in crisis, why was

the world outlook so menacing? The fault, it seemed, lay not with the leaders but with their underlings: officials who had not followed the Party's precepts or listened to the people's needs, factory managers who had allowed the forces of inertia to take control, shrugged off responsibility and illegally scaled down the targets set for them by the state, trade union officials who had neglected their members' interests, propagandists who had failed to explain the Party's aims and had alienated youth with the tedium of state ideological education.

All these were roundly criticized in Mr Brezhnev's opening report. And indeed beneath all the ritual and verbiage uttered merely for the record, that report and Mr Tikhonov's economic addendum was the one serious document that is of genuine importance to the country, and to foreign statesmen, and which was eagerly awaited and discussed by the bulk of the Soviet population.

On the whole the report has been well received by the average Russian because of its frankness. It made the ritual obeisances to the achievements of the past five years and promises of greater well-being in the next five. But it concentrated on the failures and the future tasks.

Mr Brezhnev's report also signalled no basic change in the Soviet Union's outlook on the world. The Congress naturally praised the Soviet Union's peace-loving policy, denouncing any blame on the West for the present international crises. But this was part of the ritual. Any serious discussion of the proposals put forward on disarmament, East-West relations, a possible change in private law and order, the flight from the countryside and so on.

He promised improvements, but only if people worked for them. The Party was not wrong, he asserted, and was mature enough to accept criticism, but

it was the people now who had to make the effort. And Mr Tikhonov compared today's economic challenge with the gigantic task of industrializing the country in the 1930s.

The problem is that Mr Brezhnev's document accurately pinpoints the difficulties but in promising more of the same policies does not suggest ways of achieving change or rekindling motivation. And the cynics, a growing segment of the population, while applauding the words of the report, are sceptical that deeds will follow. The same has been promised too often before. Can the same faces they wonder, do now what they have failed to do for the past five years? Are they really in touch with the mood and lives of ordinary people?

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Mr Brezhnev: still on the way to that undefined Utopia.

## LONDON DIARY

### Fulham versus Palace

Fulham Palace, until a few years ago the official residence of the Bishop of London, is the subject of a heated dispute between local residents and Hammer-smith and Fulham Council. The heat has been engendered by the council's decision to apply to itself for permission to convert the historic building into offices instead of a museum and community centre.

The land on which the palace stands has been part of the Bishop's estate almost since the dawn of Christianity in Britain. Parts of the building date from the early sixteenth century, and most of it is listed Grade 1 as of outstanding architectural and historic interest.

When the Bishop decided to move house, the council was thought to have staged something of a coup by arranging to lease the palace from the Church Commissioners for a mere £14,000 a year. It was to be used for the benefit of the people of the borough, which implied a mixture of education and recreation. Commercial uses were expressly forbidden.

The admirable intention at the time was to turn the building into a "living" museum, where the public could watch craftsmen at work, and where adults and children would be able to attend courses. The Great Hall would be available for plays and concerts, and local societies would be able to use the various rooms for meetings.

So far about £150,000 is understood to have been spent on restoration, part of it in the form of grants from the Historic Buildings Council. But pressures on public expenditure have led the council to conclude that it cannot complete the project, and to seek instead a wealthy tenant who will convert the building into "prestige" offices, or perhaps an embassy.

A council official yesterday described the new turn of events as "very sad". Residents' groups are using rather stronger language, accusing the council of bad faith and of failing to hold any kind of public discussions.

However the office scheme faces two considerable obstacles. One is the fact that the council has no power to change the use of a Grade 1 building, without precise details of what is proposed, will meet powerful opposition from the conserva-

tionist lobby. The other is that the Church Commissioners will flatly refuse to alter the terms of the lease.

### Good clean fungi

For some reason the organizers of food trade exhibitions always assume that the press is interested only in the exotic and bizarre. Staff at the International Food and Drink Exhibition in London this week are true to type.

They offered our man Canadian whalemeat and Dutch cheese with nettles, but he scored heavily over them by discovering M. Gerard Borde. His family owns one of the largest toadstool companies in Europe, and he arrived at the exhibition in search of a British distributor.

He can supply dried chanterelles, which are yellow and smell of apricots; tinned cepes, which can be sliced and fried, and bottled black morels for stew.

"The peasants go into the woods to pick them," M. Borde explained from behind a jar of stuffed milk caps. His company uses 30 part-time workers to search for the crop in the woods of the Auvergne. Virtually everything he sells can be found in the fields and forests of Britain. Here they

are usually regarded as poisonous, which are good for kicking but little else. In France and other Continental countries they are gathered for food even though some edible toadstools are easily confused with the most deadly.

M. Borde's prices indicate that he considers his crop to be in different class from the cultivated mushroom of the English supermarket, a line which sells for between £1 and £1.50 a pound. M. Borde charges 40p for about an ounce of his cheapest dried toadstool, and almost £2 an ounce for the dearest.

I expect a quiet day's racing at Glorious Goodwood on Wednesday, July 25. The sort of people who go there midweek will all be up in London at a wedding. But at least the Test match starting at Edgbaston on July 30 should remain unaffected.

### Only just

Mr Justice Warner, taking his seat on the Chancery bench this week on his translation to High Court judge from being Advocate-General at the European Court of Justice in Luxembourg, began his first day on a suitably international note.

"If you were a real submarine they'd have installed a telephone by now."



Responding to speeches of welcome from the Bar the new judge, who was formerly Mr Jean-Pierre Warner, quoted the French judicial maxim: "Pour être juge il ne suffit pas être bête, il faut également être digne", which for those less

learned than himself could be rendered as: "To be a judge, it is not sufficient to be a fool; one must also be worthy."

Then he came a little nearer home, although still in a foreign jurisdiction. He quoted a Scottish judge who, endeavouring to show his reasonableness, said: "I shall try to adopt a middle course between justice and injustice." I am assured henceforth he is conducting his cases in English, and under English law.

### Winning cru

Wine tasting is not a great spectator sport, the invitation to the 28th annual contest between Cambridge and Oxford universities was warmly received because it is performed in conditions of utmost secrecy, in closed cellars underground. While the contestants peered, signed, gagged and spat their way through 12 anonymous bottles below stairs, would-be commentators from the press upstairs were reduced to defining each other to tell red wine from Coca-Cola, or white from Lucozade.

When the last palate had been cleared, it emerged that Oxford, who had traded which two fairly expensive tastings a week for the past four weeks, had run out triumphant again.

Defied to name not only the grape, country of origin and vintage of each wine, but also the very village it came from, their top scorer, Roger Brock of Worcester College, amassed 131 points out of a possible 180. Should he wish the young man will have no difficulty qualifying as Wine Bore of the Year.

### Band call

Now that we are promised legal citizen's band radio in the autumn, it would be as well to become acquainted with the arcane private language in which the estimated 300,000 existing pirate operators talk to each other across the ether.

CB-speak originated in the United States, where it is widely used by truck drivers to warn their comrades of speed traps and other manifestations of the Highway Patrol. The language is a kind of Esperanto of the incompetent, intended to be incomprehensible to law enforcers. British users will no doubt invent their own mysterious terms in order to stay one step ahead of the game.

Here is a basic language course; practise the words in front of a mirror until you are fluent.

—a Home Office official on the prowl for unlicensed transmitters: good buddy—hello; ten-ten—goodbye; pository—yes; memory—no; twenty—your location, as in "what is your rough twenty?"; ten-nine—"would you repeat that?"; ten-one—"I can't hear you very well"; walk-to-wall—"I hear you perfectly."

Mobile broadcasters will require a traffic vocabulary: super-slab—a motorway; smokery—a policeman; shotgun—a front seat passenger; fur-lined seatcover—a female shotgun; tail gunner—a rear seat passenger; roller-skate—a Mini-Metro or other small car; big wheels—a truck; eyeball—two CB-speakers meeting in the flesh.

Copy? Pository? Good. Then I can move my twenty across the Gray's Inn blacktop, dodging the rotor skates and big wheels, for a few brown bottles. Ten ten all breakers.

A reader flying by a well-known American airline recently found the customary paper bag in his seat pocket, with on it the legend "For motion discomfort" and on the other, "Save on color film developing—mail your film in this handy bag."

Alan Hamilton





## COST OF RIGIDITY

It has taken far too long for the Government to pay proper attention to complaints from industry that, in comparison with its overseas competitors, it was being charged unfairly for its energy supplies. There have been many points of confusion. A rising pound has badly distorted the size of relative price changes and industry has, perhaps understandably, tended to overstate its case. The report of the task force set up on an initiative of the National Economic Development Council now confirms that most industrial customers did not suffer a disadvantage from the pricing of their supplies of gas and electricity against their European competitors. For bulk users, accounting by volume for some 50 per cent of industrial electricity consumption and 15 per cent of industrial gas use, the position was sharply different.

The task force makes no thorough attempt to differentiate between the effects of the rising pound and other factors, but makes it quite clear that the strength of sterling is not the only way in which British industry has appeared, on the figures it has produced, to be put at a competitive disadvantage. Some of these are a result of genuine cost advantages in the countries concerned, such as the success of the nuclear and hydro power programmes in France. Other factors reflect different marketing policies, such as the large discounts awarded to large users of electricity in Germany. Subsidies given to coal producers on

the Continent have been far greater than those received by the industry in the United Kingdom, and the tax on heavy fuel oil here, at £8 a tonne, remains among the highest in Europe. Whatever the details of each individual case, industry may be forgiven for feeling aggrieved when the richness of Britain's oil and gas resources has helped damage its international competitiveness through the strength of sterling while competitors overseas receive cheaper energy supplies. The Government has become a victim of its own over-rigid policies of insisting that electricity production covers its cost and gas is priced in relation to its alternatives. By always allowing pricing to be an energy conservation and a reduction of the public sector borrowing requirement to dominate its thinking, it has put industry at a disadvantage in a way which a more flexible attitude could well have avoided.

Having now conceded that industry has a case, the Government's first act has been to criticize its EEC partners for charging uneconomically low prices. A report being prepared by the Commission should show the truth of the accusation and help lead towards greater harmonization of energy pricing. In the meantime the Government has the delicate task of sticking by its broad pricing principles while reducing the burden on industry. And if bulk energy users are to be helped, someone else, whether other energy users or the taxpayer, is going to be worse off.

Heavy fuel oil tax should be cut at least to the average level throughout Europe. The cost of heavy fuel oil in Britain has now fallen back to the same level as on the Continent despite the duty, but if French industry can take advantage of the cost advantages of nuclear and hydro power, it is only fair that British industry should gain benefits from the oil companies' apparent ability to sell cheaper fuel oil here. The motorist, perhaps, should provide the lost revenue by an increase in the duty on petrol.

The problems of the coal industry are being sorted out between the miners, the National Coal Board and the Department of Energy and those plans should include a way of cutting the cost disadvantage to foundries resulting from subsidies to European producers. The most important changes, however, must be to the bulk sale of electricity, and to a lesser extent, gas. It is contrary to all ideas of conservation to increase the discounts for greater use, but industry is not, in the short term, in a position to cut greatly its consumption over and above the falls that have already taken place. The electricity and gas authorities should, therefore, be encouraged to give larger discounts, partly by spreading the cost among other customers, and partly by an easing of their cash limits. At the same time, incentives to carry out energy saving schemes should be increased. The Budget, next week, provides the ideal opportunity to put right what should have been put right some time ago.

## PARLIAMENT AND THE PUBLIC PURSE

A year ago the Government published a Green Paper on the Comptroller and Auditor General in which it confirmed his interpretation of his role. In other words, it said that he was right to extend his work beyond a narrow financial audit so as to examine the effectiveness of particular programmes. But it insisted that it would be unwise for him to go beyond that to consider the merits of the policies themselves. But now the Public Accounts Committee, who are served by the Auditor General, have produced much more radical proposals. The Committee would like his activities, and those of the Exchequer and Audit Department for which he is responsible, to be extended in two ways: to examine the merits of the policies themselves as means of achieving their objectives and to cover all bodies in receipt of public money. A new national audit office would be established, incorporating both the Exchequer and Audit Department and the District Audit Service which deals with local authorities.

These ideas need to be considered separately. There is unquestionably a need for someone to be reporting to Parliament, or more precisely to parliamentary committees, on the merits of particular policies in relation to

objectives. As things stand, "the form of public expenditure is often not sufficiently tested to see whether the same results could be obtained for less money or indeed better results for the same money". The report goes on to say that "in many cases it is not possible to assess accurately in advance what a change in policy is actually going to cost, nor the difference in cost of doing the same thing one way rather than another, nor, even after the event, what a particular change has cost".

Without such knowledge it is impossible for Parliament to exercise any effective scrutiny over public expenditure. Indeed, one of the principal weaknesses of British parliamentary practice at the moment is that expenditure is authorized virtually on the nod. A Select Committee on Procedure is considering how this defect can be remedied. The best procedure would be for the new departmental select committees to be made responsible for scrutinizing the details of Consolidated Fund Bills at committee stage. The question would then be how to equip these committees with adequate advice. There could be a strengthening of the present arrangements, whereby each select committee chooses its own specialist consultants. Or

there could be a new audit office which would do the job for all of them. In that case it ought to serve the select committees directly, not have its tasks apportioned by the Public Accounts Committee, as this report suggests. One of the weaknesses of the report is that it does not relate its proposals sufficiently to the departmental select committees. To expand the PAC by giving it subcommittees, at which the report hints, would be an absurd duplication of effort.

The report strays on to more contentious ground with its other proposal: that bodies other than government departments which receive public money should also have their expenditure scrutinized. In principle there is a logical case for this. But the scrutiny ought to be of a very different kind if the commercial initiative of nationalized industries is not to be even more inhibited and the freedom of action of local authorities still more circumscribed. The creation of a public service or local government inspectorate has been proposed by *The Times* on a number of occasions. It might be wiser to develop that idea rather than to give a national audit office such a variety of functions.

The authorities disclaim responsibility for these disappearances, and disown the bands of thugs who carry out kidnappings, but human rights organizations—including Amnesty International—lay much of the blame at the door of the regime. Of the thousands of *desaparecidos* (those who have disappeared) many if not most are thought to be dead.

In clamping down on human rights activists, the military junta presumably hopes to stifle voices of dissent, and to counter-act brave attempts to investigate the links between allegedly unofficial crimes and the regime. The authorities were greatly irked last November by the award of the Nobel Prize for Peace to Señor Pérez Esquivel, who is one of the mainstays of moral support for the embattled Argentine human rights lobby. It may be that the junta has been emboldened by suggestions in Washington that under President Reagan the question of human rights is to be given a low priority, and that American friendship with Latin American countries such as Argentina will be strengthened without too many questions being asked. In case this is indeed a calculation in the minds of the Argentine generals, the Reagan Administration should move quickly to disavow the notion that the United States regards terrorism by the state as legitimate.

## Social Democrat policies

From Mr W. W. Brewin  
Sir, Social Democrat MPs claim there is no case for resubmitting themselves to the electorate on leaving the Labour Party as they continue to support the manifesto on which they were elected. (Their justification not mine.) They claim that it is the Labour Party which itself has deviated.

In supporting a manifesto defeated at the last election and pledged to continue the divisive policy of confrontation imposed over the past

few years, which is largely responsible for the present state of our country, how can they claim to represent a new mood sweeping the nation?

The new mood is one of abhorrence of party politics to excess. A wish to recapture something has shown at times of crisis. To claim that the last election manifesto of the Labour Party is a recipe for this is ludicrous. A Labour Party of the 1960/70s under the title Soc-Dem is certainly not what the country seeks.

## Debate on economic priorities

From Mr Peter Lloyd, MP for Farnham (Conservative)  
Sir, Mr Peter Lloyd, MP, is to lead a debate on economic priorities on February 27, where our colleagues who wrote to you (February 25) urging a new industrial strategy think they are going to get the money—assuming they place any importance at all on that side of the equation.

However their demand for lower interest rates plus additional government-funded investment, abolition of the National Insurance surcharge and extended job release, added to the increased subsidies just committed to British Steel, British Leyland and the National Coal Board would certainly achieve one of their objectives—the rapid depreciation of sterling as foreigners lost confidence in the Government's determination to keep the economy in balance. This would no doubt bring relief to exporters in the short run but at the cost of reviving inflationary pressures from which everyone, including the most financial exporters, would lose in the end.

Peter Lloyd rightly stresses that interest rates should only be reduced if accompanied by a reduction in borrowing and draws attention to the scope for saving illustrated by the fact that the NHS staff has increased by 25,000 since the election. But such economies are simply not going to materialize in time to pay for the extra spending already committed, let alone the further outlays suggested.

Yet if interest rates are to come down now, as it is imperative they should—and, even more important, stay down when recovery begins and the private sector is seeking additional finance for stock rebuilding and investment—the Chancellor must revert to his original plans for the progressive reduction in public borrowing.

An increase in direct taxation is the only immediate and sufficient source of the extra revenue required. Moreover, as the deficit is swollen by the effects of recession and unemployment, it is appropriate that those in work, who have on average maintained their real spending power, should meet the bill directly through higher employee National Insurance contributions—or, fairer still, an increase in the standard rate of income tax.

## Royal employment

From Lord Graham  
Sir, Through the present congratulations for Prince Charles and Lady Diana Spencer an occasional clue of what one must suppose is current wisdom keeps popping up. Prince Charles ought to have a "proper" job.

This attitude to the monarchy bears a similarity to one of our modern superstitions that landowners stride about their acres while the trees burgeon, the grass grows and every spring the countryside returns itself to its neat storybook appearance without anyone actually doing anything.

In an exhibition of neat footwork, your correspondent of February 25 first shows verbal support for the monarchy as a "supernatural element in the nation" and then seems to infer that most of what Prince Charles does could be passed off, on to retired Major-Generals. If the institution is so important, is there not a place for a young mind to be brought to bear on its traditions and to find new areas in which it can be made effective?

By all means suggest that the Prince should gain experience in industry but admit that it is asking him to do a job which is not appropriate in our hard-pressed times; but to use your example, while it might be "unkind and unnatural punishment" if he were put to "moonlighting" in British Leyland or wherever else.

Yours faithfully,  
GRAHAM, Auchmar, Drymen, Glasgow.  
March 2.

## Hostels for homeless

From the Director of Church Army Housing and the Manager of the Salvation Army Housing Association  
Sir, The "dispute" between the Church Army, Salvation Army and the Campaign for the Homeless and Rootless (Report, February 27) is not over the £12 million the Government has allocated for hostels of all types.

At their recent press conference during the Church of England's General Synod, the Church Army and Salvation Army were talking of the particular crisis facing many of their worst-off homeless people, and were saying that they needed £20 million very quickly—quite separate from any share of the £12 million already allocated—under 2,500 homeless men and women were not to be put on the streets.

Neither of the two organizations want to perpetuate "large institutional hostels" in the pejorative sense. But the number of single homeless people with nowhere else to go is so enormous that, in spite of all our endeavours to produce a wide range of more permanent accommodation (which both societies and their associated housing associations do produce) the large hostels will remain a necessary part of the available provision for some years to come. The important thing is that they are run well with every effort to sustain the dignity and self-respect of their residents.

Yours faithfully,  
PETER NAISH, Director, Church Army Housing, EDWARD ALSOP, Manager, Salvation Army Housing Association, as from: 112a Shirland Road, W9, February 27.

## Can Westminster decide for Canada?

From Lord Alport  
Sir, Anyone who has the interests of Anglo-Canadian relations at heart and a proper appreciation of constitutional principles, really within the Commonwealth must be deeply concerned at the implications for the Westminster Parliament of the present controversy over the "partition" of the Canadian Constitution.

The so-called request and consent convention of the States of the Canadian Commonwealth, which Westminster was intended to prevent the British Parliament from passing legislation which purported to take effect in and override the powers of the sovereign Parliament of any independent Commonwealth country, is a matter which is not a legislative binding effect, it did not, and could not, deprive the British Parliament of the right to direct itself of a residual power which the passage of time and the constitutional evolution of the Commonwealth had rendered demonstrably out of date.

Canada has been a major influence in the process of decolonization by the United Kingdom. It is intolerable that fifty years after the Statute of Westminster was passed and more than a century after Canada, which has been a major partner in a victory of two world wars and possesses immense economic strength and political experience, became a self-governing country, the United Kingdom Parliament should become involved in arbitrating on issues which concern only the domestic authorities within the Canadian Federation. It is certainly not for us to judge whether a Bill of Rights is adequate or what should be the division of powers between the Government in Ottawa and those of the provinces.

In 1937 Mr Mackenzie King called a meeting of Prime Ministers to work out methods whereby Canada might alter her Constitution without reference to the United Kingdom. In 1937 Mr Bennett's "new" legislation was declared *ultra vires*

by the courts because it conflicted with the provisions of section 7 of the Statute of Westminster, although the extension of the powers of the Federal Government appeared to many here and in Canada both desirable and inevitable. It is astounding that more than forty years have elapsed before this issue became alive again.

There is now a danger that the British Parliament will be sucked into a major Canadian constitutional controversy, with bitter party and provincial undertones, which is entirely domestic to Canada and which, by no stretch of the imagination, is it obliged or entitled to resolve.

It is an understandable, though not agree with, the views of the House of Commons Foreign Affairs Select Committee, required to comment on a matter which excites its members' interest and, from their point of view, is essentially a matter of being of a somewhat remote and academic character. But it is not the job of the House of Commons of the United Kingdom or of the British House of Lords to decide an issue which is essentially a matter for decision by the Parliament and people of Canada.

Her Majesty's Government in London should not advise her Majesty's Government in Ottawa that it intends to repeal the last evidence of Canada's colonial status—section 7 of the Statute of Westminster—before the end of this session of Parliament.

If by that time the present constitutional controversy has been resolved in Canada, so much the better. If not, it will be for the Canadian Parliament, designed in 1867 to reproduce on the other side of the Atlantic exactly the character and processes of the Parliament at Westminster, to take whatever decision the Canadian nation may in its wisdom decide.

Yours sincerely,  
ALPORT.  
House of Lords.  
March 2.

## Civil servants' demands

From Mr Nicholas Cooper and others  
Sir, We write as civil servants who are extremely uneasy both about taking industrial action and about the impression that has gained currency that we are taking such action in protest against an inadequate pay offer. We recognize that in other areas pay settlements have not been high, that the employment is bottomless and that civil servants have obligations beyond those to their masters.

It is in part the fault of the Civil Service unions that such impressions are current. As members of the Institute of Professional Civil Servants we were asked to support a composite motion that censured the suspension of its proceedings, supported a 15 per cent pay claim and authorized the executive of the union to participate, if necessary, in a campaign of industrial action.

Few civil servants that we have spoken with would be willing to strike for a 15 per cent pay claim on its own. If this motion gained wide support from members, it is

because the Government leaves us no choice. It has gone back on its commitment to salary determination by Pay Research, Professor Sir MacBelfoy (letter, March 2) accuses us of "threatening... the foundations of an ordered and civilized community" and of "violating the code of conduct that has governed the Civil Service". Professor Belfoy apparently requires a higher standard of responsibility from employees than from their masters.

If the procedures agreed to by both sides show civil servants to be owed more than the Government can afford to pay, the Government should like any other good employer) take the staff into its confidence and explain fully why PRU recommendations cannot be implemented. We should then have a basis for negotiation both on present pay and on future procedures.

Thirteen other close colleagues read this letter and are willing to endorse its views.

Yours faithfully,  
NICHOLAS COOPER,  
EDMUND GRAY,  
GLENYS POPPER,  
130 Kenilworth Court,  
Lower Richmond Road, SW15.  
March 4.

## Swoop on the provinces?

From the Managing Director of Associated Newspapers  
Sir, Your correspondent, Lady Elton (letters, March 2), writes of auditory senses of a very unusual kind if, from the rural charms of Clevedon Court, Somerset, she can hear "the sound of battle in Fleet Street" concerning the proposals by Associated Newspapers Group for full ownership of the Bristol Evening Post and the Western Daily Press.

What on earth have these proposals to do with Fleet Street? Certainly this Group has a national daily newspaper, the *Daily Mail*, and hopes to have an equally successful national Sunday in due course. Our regional newspapers have always been separate from the national and, at least, among the achievements of this policy has been the preservation of local independence. Some local newspapers might not otherwise now exist: none would have hoped that Lady Elton would have been aware of this, since in 1976 she was a party to the sale of the Clevedon Mercury to the Bristol Evening

Post, in which we had at that time a "controlling" interest.

To correct a further inaccuracy, the papers at Plymouth, Cheltenham, Gloucester, Torquay and Exeter, March 2, were either owned by the Associated Newspapers Group or by the Harmsworth family long before the 1949 Royal Commission and have not, therefore, since fallen to the Associated Newspapers Group.

The keystone of our policy as publishers of successful regional newspapers is that local managements have no interests to serve other than those of their readers and community. We recognize that it happens also to be good for the staff to work in such an environment of stability and security. Perhaps Lady Elton would care to confirm the truth of all this by talking to her colleague, Mr Andrew Breach, Chairman of the Bristol Evening Post.

Yours faithfully,  
R. M. SHIELDS,  
Associated Newspapers Group Limited,  
Carmelite House, EC4.

## Historic buildings

From Mr Tom Greaves  
Sir, Can anyone blame the Chinese for demolishing their embassy buildings in Portland Place, when they have only to look at this once noble and reflect on the least among the hands of successive generations of British architects and their clients, including the RIBA?

As a schoolboy in the early thirties, intent on an architectural career, but with a love of London at a time when large chunks of Georgian London were disappearing every year, I watched with horrified amazement the destruction of yet another bit of Portland Place, to build the institute's new headquarters.

Let it be argued that this was 50 years ago, and that we know better now, I would draw attention to what I understand is the impending demolition by Westminster Council of 20 listed Georgian houses in Great Titchfield Street nearby, including the house of the great sculptor and illustrator, John Flaxman.

It is surely ironic that, while the minister is adding to the list buildings of more recent date, those at the other end of the time-scale are being gradually destroyed. Is a listed building only to be allowed to survive at the whim of a private developer, or a local authority?

Yours faithfully,  
TOM GREAVES,  
12 Newton Green,  
Bedford Park, W4.

the most distinguished person in the world of conservation and restoration—Dr Bernard M. Feilden, Director of the International Centre for the Study of Preservation and Restoration of Cultural Property (ICCROM).

The present annual rate of government support to this body is £28,000 and this has just been withdrawn. Recently we were obliged to spend over £250,000 on refurbishing some small station buildings which are not required by us and are not occupied. Before they had been listed the original estimate for demolishing parts of the buildings and refurbishing the rest was of the order of £30,000. The greatly increased expenditure can be laid entirely at the door of a small local preservation society which was successful in persuading the Department of the Environment to list the building. In the case of buildings of significant importance in architectural or historic terms such expenditure can, of course, be properly justified because of the need to pass on our national architectural heritage to future generations. But it is hardly justified in the case of buildings of only marginal interest locally to a few people, when the excessive costs to our hard-pressed business are not matched by national or local contributions. The excess sum just referred to is equal to our national contribution to ICCROM for the next eight years.

It is reasonable to ask that there should be a national clearing house for our priorities in the field of conservation and preservation, especially during the present period of deep recession.

Yours faithfully,  
BERNARD KAUkas,  
British Railways Board,  
222 Marylebone Road, NW1.

## Jordan opposition to the 'option'

From the Ambassador of Jordan  
Sir, Having read Christopher Walker's five articles regarding the occupied West Bank (especially the one headed "How the Jordanian option might just work"—February 23), one cannot help but feel the utmost concern regarding events and "facts" being created in the occupied Arab territories. Despite the universal condemnation of the Israeli settlement and colonization policy in the occupied Arab territories, your correspondent reports the feverish, frantic rush by the Israeli government to plant additional settlements in the occupied territories.

He has correctly articulated the desire of the Palestinian people in the occupied territories "for a distinct Palestinian state", and concluded rightly that support for the Palestinian Liberation Organization "is unmistakably at every level of the West Bank society".

His Majesty King Hussein and the Jordanian Government have emphasized on numerous occasions their support of the right of the Palestinian people to self-determination and to the establishment of a Palestinian state on their soil under the leadership of the Palestinian Liberation Organization, their sole legitimate representative.

Jordan has not only rejected, but expressed the so-called "Jordanian option" for what it really is, i.e. a scheme by the Israeli Labour Party to perpetuate and consolidate the military occupation.

The Palestinian people do not desire or envisage their state except in Palestine. The Jordanian people cannot and will not replace the Palestinian people. Jordan will not be drawn in any way to assume responsibilities designed to alter or circumvent the centrality of the Palestinian people.

Any plan or policy that does not take into consideration these facts will not lead to the attainment of a just and acceptable peace and will have adverse and far-reaching consequences on the stability of the region and the peace of the world.

Yours faithfully,  
IBRAHIM IZZIDDIN,  
Embassy of the Hashemite Kingdom of Jordan,  
6 Upper Phillimore Gardens, W8.  
March 2.

## Pessimism on defence

From Vice-Admiral Sir Peter Gretton (retd)  
Sir, May I comment on one aspect of current defence policy? I have listened to very senior army officers expressing, on television, the most defeatist views on operations in Germany after an attack from the east. The attitude here appears to be that after two or three days, nuclear weapons will be needed. After that the holocaust will, I believe, come.

When studying and teaching at various defence academies, I learnt that a successful defence effort must have a superiority of at least four to one. The advantages are all with the defence. BAOR has had 30 years to get to know the ground and to make plans. In addition, we have now a strong German army on our side. The defence has a strong ally in World War Two, especially in Italy, that they were unequalled in defence.

Surely our military leaders should show a more robust view of the future to the nation. I wonder if it looks so easy from the Kremlin.

I must confess that my argument is not unconnected with recent public claims that a strong Navy is no longer needed because a European war would only last a few days and reinforcement and supply from across the Atlantic would not be required. But this admission, I submit, does not invalidate my views.

Yours faithfully,  
P. W. GRETTON,  
29 Northmoor Road,  
Oxford.  
March 2.

## West Indies tour questions

From Mr J. M. Stephenson  
Sir, There is no inconsistency between support of the boycott of the Moscow Olympics and opposition to the recent events in Guyana, and I am happy to come out in the open and say so (Dr Butt, letter, March 3).

Sport becomes inevitably involved with politics when a team purporting to represent a nation visits another; in doing so, it is seen by the politicians of each country to give implied approval to the regime of the other.

For this reason, no team representing Great Britain or any of its component nations should visit either South Africa or the Soviet Union. But neither this general principle nor the Gleanings agreement can extend to individuals who choose to visit either country in pursuance of that other human right—to earn one's living by any lawful means in any country, subject to the laws of that country, and not to be victimised for so doing.

Perhaps the Government of Guyana would do well to consider whether a constitution which proposes friendship with every country "except South Africa" does not reflect a racial hatred no less abhorrent to men of reason and compassion than apartheid itself.

Yours faithfully,  
J. M. STEPHENSON,  
Rose Cottage Flat,  
Upper House Lane,  
Sharnley Green,  
Guildford,  
Surrey.  
March 3.

## Wizards that were

From Mr A. H. Christie  
Sir, I am surprised at the mystery made of the superlative "wizard" in Philip Howard's article today (February 23). As a schoolboy aeroplane-fancier some 50 years ago I would have been in no doubt about its origin. The Westland Wizard was by far the most glamorous aircraft of its day and (so far as at least one schoolboy was concerned) stole the show at a Hendon RAF display in 1930 or thereabouts.

Yours truly,  
A. M. CHRISTIE,  
48 Thame Road,  
Warborough, Oxfordshire.



















## Technical rally

§ Forward bargains are permitted on two previous days

[illegible]

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Issue price  
- Issued by lender  
Fully paid, g + 10 p.



Talbot brings forward plan for Horizon, page 24

**Stock markets**  
FT Ind 500, up 3.8  
FT Gills 68.66, down 0.18

**Sterling**  
\$2.1985, down 75 pts  
Index 98.7, down 0.8

**Dollar**  
Index 100.6, down 0.7  
DM 2.1355, down 225 pts

**Gold**  
\$464.50, down \$8

**Money**  
3 mth sterling 12 1/2%  
3 mth Euro \$16 1/4-16 1/2%  
6 mth Euro \$16 1/4-16 1/2%

**IN BRIEF**

**Hopes rise of new agreement on cocoa**

The chances of a new international cocoa agreement coming into effect rose after what delegates to a London meeting of the International Cocoa Organization (ICCO) described as a "conciliatory statement" by the Ivory Coast.

Delegates agreed to adjourn the meeting until April 6, so avoiding a decision on what to do with the \$220m (£100m) buffer fund which has technically been in liquidation since the expiry of the old cocoa agreement in March 1980.

Informal discussions will be held on the rules for operating the buffer stock, should the agreement reached in Geneva last November come into operation.

The main area of discussion is likely to be the minimum buffer stock intervention price of 110 cents a pound. The Ivory Coast, the world's biggest cocoa producer and exporter, has argued that the floor price is too low. Without the Ivory Coast's participation it is difficult to ratify the agreement.

**Worker participation**

A big increase in attempts by employers to consult with their workforces is revealed in a British Institute of Management survey. About 90 per cent of companies employing 1,000 or more had some form of participation scheme.

**Writ for British Steel**

British Steel Corporation has been served with a writ by the steel unions which seeks to prevent it from implementing the MacGregor "survival" proposals for the Volturno plant works near Swansea.

Steel protest, page 24

**NEB 1,500 pc profit**

The National Enterprise Board has sold its 30 per cent shareholding in Automation and Technical Services (Holdings) to Incochem Investments, a new investment company, for £806,250. This represents a record percentage profit for an NEB disposal of 1,512.5 per cent, based on the April 1978 investment of £50,000.

**Lonrho's Fraser bid**

Lonrho's £158m takeover bid for the House of Fraser stores group was approved by a majority of Lonrho shareholders yesterday. Lonrho was bidding for a 50 per cent share, but if the Monopolies Commission allows, it will be free to come back with a new offer.

**BNOC Dubai venture**

The British National Oil Corporation will take an equity share in an oil concession in Dubai Emirate of the United Arab Emirates held by Atlantic Richfield's Arco Dubai subsidiary. The Gulf News newspaper said.

**Wall Street higher**

The Dow Jones industrial average closed at 971.44, up 5.42 on Wall Street yesterday. The S=SDR exchange rate was 122.609 while the F=SDR rate was 0.553540.

**PRICE CHANGES**

Rises	Falls
Burnett's share 45p to 58p	Cons Gold Fields 5p to 42p
Diploma 7p to 17p	De La Rue 15p to 50p
Eurotherm Int 10p to 30p	Ferranti 5p to 54p
Mass Bros 10p to 15p	Grundys Bldgs 10p to 16p
Ransome Sims 15p to 15p	Jarvis J. 5p to 19p
Ultramat 18p to 57p	
Unilever 8p to 28p	
Unitech 8p to 8p	
Wadkin 7p to 8p	
Whitcroft 5p to 5p	
Adm Sunatna 5p to 37p	
SL Holdings 8p to 35p	
Mercantile Inv 5p to 5p	
F Pratt Eng 5p to 11p	
SGS Group 7p to 13p	

**THE POUND**

Bank	Bank	Bank	Bank
Australia 5	1.56	Norway Kr	12.45
Austria Sch	35.00	Portugal Esc	127.00
Belgium Fr	81.75	S Africa Rd	2.05
Canada Cdn	77.75	Spain Pta	167.00
Denmark Kr	15.45	Sweden Kr	10.72
Finland Mk	9.50	Switzerland Fr	4.46
France Fr	11.42	US \$	2.20
Germany DM	48.00	Yugoslavia Ddr	82.50
Greece Dr	116.00		
Hongkong \$	12.25		
India Ru	1.33		
Italy Lit	2360.00		
Japan Yen	486.00		
Netherlands Gld	5.39		

**BL to cut 24,000 more jobs in next two years, MPs are told**

By Edward Townsend

BL will cut about 24,000 more jobs in the next two years before the company is back on the road to recovery, Sir Michael Edwards, the chairman, told a Commons select committee yesterday.

He said that the state owned company's United Kingdom labour force, now down to about 120,000, had fallen by an average of 1,000 a month since he took over in 1977 "and will go on dropping until it reaches an all time low at the end of 1982".

Sir Michael's manpower forecasts are certain to cause considerable disquiet and widespread opposition among trade union leaders, particularly as the Government has just agreed to provide a further £900m of state funds to finance the company's development and reorganisation plans for the next two years.

At the end of this month, BL is expected to announce results for 1980 showing losses of about £400m compared with £122m in 1979.

Sir Michael said that after 1982 the company would begin to recruit workers again. A 10 per cent increase in productivity was envisaged this year and next and further gains would be made in 1983 as the volume of vehicle production rose with the introduction of new models.

But he gave warning that employment at BL would "never reach the sort of levels we had before within the next 10 years".

By the end of 1982 he expected the company, which has a worldwide labour force of 240,000, to be employing just over 100,000 and keeping in work an additional 200,000 in component supply companies.

Sir Michael said he had been "astounded" at the way manpower levels throughout BL had been reduced without a single

strike. In the past three years 57,000 jobs had been lost. In the car business alone fixed costs had been cut by £150m a year between June last year and 1981 and capacity reduced by 300,000 to 400,000 units a year.

He praised BL workers for their big "contribution to the future" by negotiating wage increases of less than 10 per cent for three years running. During the terms of the last two governments the company had had "extremely modest" wage settlements for all employees. BL's present four year plan, supported by the Government, foresees the need for a further £150 million injection of capital in 1983/84 (bringing the total to £1,140m) by which time the company should be breaking even and on the way to recovery, Sir Michael said.

Sir Michael, giving evidence to the Commons Industry and Trade Committee, said that the bulk of the company's recent problems had been caused by the high external value of the pound.

If exchange rate and inflation assumptions that were made for the 1980 corporate plan had pertained — and the National Enterprise Board, which owns the majority of BL shares, had found them "conservative and pessimistic" — BL's profits would have been £1,700m higher. "And the £1,140m would not have been needed at all".

The impact of exchange rates had been traumatic. The 1976 Ryder plan had envisaged injections of public funds totalling £1,000m and that £1,400m would be raised by BL internally. In the event, Sir Michael said, the company had raised nothing and the bulk of internally generated funds went into exchange rates.

The £900m injection was the minimum required in the next two years and the extra £150m was "very small beer".

**Linwood closure 'unlikely to sway Datsun decision'**

By John Huxley

Peugeot's closure of the Renault car plant at Linwood, Renfrewshire, is unlikely to influence Nissan in its choice of a site in the United Kingdom for a new £300m plant to produce Datsun cars, MPs were told yesterday.

Sir Peter Carey, Permanent Secretary at the Department of Industry, said there was nothing contradictory in the decision of one company to plan investment in the British motor industry while another was cutting back. He added that there was no reason why Scotland should not provide a suitable site for Nissan.

"The weakness for Linwood was probably that it represented a split of activity at a time when, for the British motor industry, it would have been better to have had concentration", he said.

Earlier Sir Peter accepted that research to determine the overall benefits of the policies

was "inconclusive". Since 1971 regional incentives had cost about £500m.

"I told the committee that, taken over a long period, evidence suggested that regional policy had made a 'substantial contribution' to the economies of the areas involved. But he added that in assessing the net benefits it was difficult because of the lack of regional data to distinguish whether improvements were due to specific regional or general national policies.

"The evidence available suggests that regional policy is effective in influencing the direction rather than the level of investment.

"We are not just sitting back and saying 'it is all too difficult, we cannot measure the effectiveness of the money we are spending. We want to make sure as much as the committee does that we are getting value for money'."

But he gave a warning against making changes in the framework of regional policy. "I have found that the single feature to which industry attaches importance is that it knows where it stands."

He expected the present regime to be maintained through the life of this Parliament.

Horizon plans, page 24

**Call for biotechnology backing**

By Bill Johnston

The private sector has a substantial responsibility in the exploitation of biotechnology, according to a government White Paper published yesterday.

Government policy outlined in the paper came in response to a report last March by the Advisory Council for Applied Research and Development (ACARD), the Advisory Board for Research Councils and the Royal Society.

The study group on biotechnology was chaired by Dr Alfred Spinks, formerly director of research at ICI.

The paper praises the work on biotechnology which has already been conducted by a number of British companies, including Glaxo, Becton, ICI, Rank Hovis McDougall and Tate and Lyle.

But the paper emphasises that in future "The Government's interest in the private sector



Trade unionists, industrialists, and members of the Government around the table at yesterday's meeting of the National Economic Development Council. In the foreground are (from left) Sir Keith Joseph, Secretary of State for Industry; Sir Geoffrey Howe, Chancellor of the Exchequer; Mr Geoffrey Chandler, director-general of the National Economic Development Office; and Sir Peter Parker, British Rail chairman.

**Mr Heseltine to open talks with councils on purchasing policies**

By Patricia Tisdall  
Management Correspondent

Mr Michael Heseltine, Secretary of State for Industry, is to discuss government purchasing policies with local authorities shortly as part of a campaign to help industry. This and other commitments were outlined by Sir Keith Joseph, Secretary of State for Industry, in a progress report given to the National Economic Development Council yesterday.

Sir Keith promised that his own department would develop contracts with at least 80 leading companies in the next few months to discuss impediments to government contract tendering. In particular, he hoped that public purchasing officers, including those in nationalised industries, would make more use of British Standards when drawing up specifications.

Department of Industry officials also are to carry on talks with individual National Economic Development Office (NEDO) sector working parties and with trade associations.

Plans include a combined Department of Industry, Institute of Purchasing and Supply and NEDO seminar for senior public sector purchasing officers. The public sector is to be encouraged to rely more on its suppliers' research and development efforts or to contract out more of its research requirements to the private sector.

The Advisory Council for Research and Development recommended a shift in the balance of research and development carried out by purchasers towards that carried out by their suppliers. Sir Keith said that the Government would respond positively to the council's recommendations.

The progress report was the result of a request at the July meeting of the NEDC that the industry secretary should be kept informed of progress on public purchasing improvements.

"In my view we have made a sound start in putting the purchasing policy into effect", Sir Keith told the meeting.

"I am encouraged by industrialists who have told me recently that they had seen distinct changes in practice among individual purchasers, for instance by engaging in meaningful dialogues with suppliers and by setting specifications which take account of other markets."

"I am pleased that the supply council for the National Health Service has now been established. This should do much to improve procurement practices in this area."

**Pound slips in nervous trading**

By Frances Williams

Leading currencies rose on nervous and volatile foreign exchange markets yesterday. The pound, which followed Tuesday's upward trend against the dollar during the morning, fell back in afternoon trading to close 75 points down at \$2.1985.

The pound lost rather more ground against other leading currencies, with its effective exchange rate index falling 0.8 to 98.7.

The pound's movements largely mirrored those of the dollar. The United States currency was sharply weaker yesterday morning, reflecting lower Eurodollar interest rates. These were in turn influenced by remarks by Mr Paul Volcker, chairman of the Federal Reserve Board, on the sluggish state of the American economy.

But the afternoon decision by the German federal bank to keep open its special 12 per cent Lombard facility, under which it supplies funds to the commercial banking system, prompted a late fall in the Deutsche mark, against which the dollar is chiefly measured.

After falling 4 pennings against the mark at one stage, the dollar ended London trading down 21 pennings at DM2.1355.

Gold closed at its lowest level since December, 1979, dropping by \$11.50 to \$464.50 an ounce.

**Giro service joins clearing banks**

By Roman Eisenstein  
Banking Correspondent

National Girobank, the banking arm of the Post Office, is becoming the tenth member of the London Bankers' Clearing House, the system through which banks transfer cheques among themselves. Mr Samuel Wainwright, Girobank's managing director, said yesterday that it would go on to seek membership to become fully operational.

Girobank is now setting up a central clearing department and will also open a clearing office in the City. This will involve the setting up of the necessary data processing and administrative facilities.

The next step will be for Girobank to join the Bankers' Automated Clearing Services and offer its business customers direct access to the service. This will enable customers to transfer payments directly through a data-processing operation.

Girobank is already a member of the payment and wages working group formed by high street banks to encourage companies to pay through direct credit accounts at banking institutions. It also aims eventually to change the present weekly wage payments to a monthly basis.

Girobank officials believe that the entry into the clearing system is a further move towards the provision of full banking services to customers. In recent years it has enlarged its facilities and now provides most of the day-to-day banking services personal customers need, including loans of up to £3,000.

The Post Office launched its Giro system 12 years ago and over the period it has grown significantly. The system now exchanges 100 million cheques with other banks and it is the growth of the business that has prompted the membership of the clearing house system.

At present Girobank is clearing its cheques through its centre in Boole where they are sorted out and accounts are credited or debited and settlement is eventually made with other banks through an account at the Bank of England.

Business Diary, page 25

**Norton Warburg offshoot agrees to assets freeze**

By Our Financial Staff

Norton Warburg Investment Management, part of the Norton Warburg Group which announced it would go into liquidation two weeks ago, agreed to a temporary injunction freezing all its United Kingdom assets in the High Court yesterday.

The company, which is said to have a deficiency of £2.5m on the accounts of its London clients, is being sued by several groups of the 360 investors. Some are seeking the appointment of a receiver and others want their share portfolios returned.

Mr Justice Dillon adjourned the applications to a date yet to be fixed as an increase is necessary to help expand domestic consumption, which accounts for more than half of Japan's gross national product.

Some economists believe the fall in real wages slowed domestic consumption, which caused sluggish car sales and a decline in the rate of increase of housing starts, forcing the economy to rely for growth largely on higher exports.

The government's outlook for fiscal 1981 calls for real economic growth of about 5.3 per

cent against an estimated 4.8 per cent in fiscal 1980.

The Federation of Employers' Associations, without giving management guidelines for salaries, already has rejected the reasoning behind workers' demands.

But the shunto confrontation between management and workers does not illustrate real relations between the two sides, which are very cooperative, Mr Zenko Suzuki, the Prime Minister, last year said.

"Japan is not blessed with natural resources, but we have a splendid resource called labour-management relations of which other countries are envious."

**Budget may reduce industry's energy bill**

Continued from page 1

Energy ministers have stressed that the electricity industry will have to cover its costs, and that the British Gas Corporation's price structure will remain market-related. But within that framework, the Government sees scope for greater flexibility and some relief.

It is widely expected that the Chancellor will cut excise duty on heavy fuel oil which at £8 a tonne is among the highest in Europe. Other measures may include alterations in fuel tariff structures of special discounts for high energy using industries, both of which are possible within present legislation.

The NEDC report was warmly welcomed last night by the industries which have been pressing for action. Sir Terence Beckett, director-general of the Confederation of British Industry, emphasized that it was important for the Government to act promptly.

The report confirmed that, for large users of gas, United Kingdom prices were 10 per cent to 15 per cent higher on average than those in other European countries; electricity prices were in some cases 10 per cent to 35 per cent higher than in West Germany, and France's United Kingdom foundry coke prices were 30 per cent higher than in Europe generally.

Other EEC countries subsidised their home-produced coal by at least £30 a tonne more than the United Kingdom. Oil product prices in the United Kingdom were also higher for most of last year, and although in recent weeks prices have

been more in line with Europe, the position remained "volatile".

Last night Mr Martin Trowbridge, director-general of the Chemical Industries Association, said it was regrettable that the report had not been available last autumn when it had become obvious that energy price disparities had built up to levels which seriously affected the United Kingdom's competitive position.

"Even taking the general levels of prices quoted in the report as a very conservative basis, the cost to the United Kingdom chemical industry of end year differences amounts to about a £70 million a year compared with our major continental competitors," he said.

ICI, one of the country's biggest single users of energy which pays a £700m a year energy bill, emphasized the need for "very urgent attention and action by the Government."

The British Steel Corporation and the British Independent Steel Producers Association, in a joint statement, said that the Government should insist on creating a competitive situation in the United Kingdom energy market.

The nationalised utilities and the oil companies should be encouraged to compete actively with each other and with their Continental counterparts.

European companies, the steelmakers said, realized that their industrial customers were in direct competition within and outside the EEC with customers of other countries' utilities.

Leading article, page 17  
Paying over the odds, page 25

**THE PRESTIGE GROUP LIMITED**

Mr. David Lawman reports on 1980

The following is an extract from the Statement by the Chairman, Mr. D. J. T. Lawman, which has been circulated with the Report and Accounts for the year ended 31st December, 1980.

Group sales for the year of £64,815,000 showed an increase of 4.1% compared with last year's total of £62,250,000. Group profit for the year before taxation was 8.1% lower at £5,669,000 (1979 - £6,169,000).

The results for 1980 reflect the severe reduction which took place in consumer demand at home starting in the second quarter of the year, accompanied by substantial customer destocking. Furthermore, the strength of sterling had an adverse effect on the profitability of export sales and on the results of overseas subsidiaries in sterling terms.

The Board is recommending a final ordinary dividend of 17.5% making a total for 1980 of 27.5% (1979 - 27.5%). This dividend is covered 2.8 times by profit attributable to shareholders.

1980 IN BRIEF	1980	1979
SALES	£64,815	£62,250
PROFIT BEFORE TAX	5,669	6,169
EARNINGS PER SHARE	19.2p	20.3p

Copies of the 1980 Accounts and the Chairman's Statement may be obtained from the Secretary, The Prestige Group Limited, Prestige House, 74-76 Holborn, London EC1N 2LS. The Annual General Meeting will be held in London on 23rd March, 1981.

**Prestige**

Manufacturers of 'Prestige' 'Skyline', 'Ewbank', 'O-Cedar', & 'Old Hall' household products.

Overseas companies operating in Australia, Belgium, France, Germany, Italy, Japan, New Zealand, South Africa, Spain, Sweden.

**Japanese workers and employers prepare for pay demands ceremony Tradition prevails at the time of the rising wage**

Japan is getting ready for the annual shunto or spring wage offensive with labour leaders and management proposing conflicting strategies for checking inflation and expanding the economy.

The shunto reaches a climax in mid-April when thousands of workers hold street rallies and sometimes lock their bosses out of offices and factories.

In the group-minded Japanese society, both sides want to win public approval for their arguments about the size of the wage rises.

The main labour unions are jointly seeking a 10 per cent increase this year.

For the first time since the shunto started in 1956, the unions last year put forward a unified claim, for 8 per cent,

just as Japan was overcoming the worst effects of sharp increases in imported oil prices during the previous 12 months.

The unions eventually accepted average wage increases of 6.7 per cent last year, which some labour leaders regarded as a defeat but was seen by many economists as a big factor behind Japan's reasonably sound 1980 economic performance.

The average Japanese worker received 263,380 yen (£560) a month last year, which was a 0.9 per cent drop in real terms, the first decline since 1952 when the Labour Ministry began regular surveys on wage levels. However, annual wages, including summer and year-end bonuses rose a nominal 7 per cent.

Labour leaders say their 10 per cent demand is designed to cover the fall in real wages last year, and thus help to stave off effects of further price rises in fiscal 1981.

The unions have defended their demand by maintaining that such an increase is necessary to help expand domestic consumption, which accounts for more than half of Japan's gross national product.

Some economists believe the fall in real wages slowed domestic consumption, which caused sluggish car sales and a decline in the rate of increase of housing starts, forcing the economy to rely for growth largely on higher exports.

The government's outlook for fiscal 1981 calls for real economic growth of about 5.3 per

cent against an estimated 4.8 per cent in fiscal 1980.

The Federation of Employers' Associations, without giving management guidelines for salaries, already has rejected the reasoning behind workers' demands.

But the shunto confrontation between management and workers does not illustrate real relations between the two sides, which are very cooperative, Mr Zenko Suzuki, the Prime Minister, last year said.

"Japan is not blessed with natural resources, but we have a splendid resource called labour-management relations of which other countries are envious."

Ikuo Anai





## W Germany may breach steel policy

Herr Helmut Schmidt, the West German Chancellor, will raise the issue of government subsidies for steel products granted in some EEC summit meeting in Holland on March 23 and 24.

If strict controls on subsidies and voluntary production cut-backs could not be agreed by the end of the month, Germany may be forced to contravene EEC rules guaranteeing a unified policy on steel, sources said.

Community industry ministers resolved yesterday that no new state aid schemes could be introduced after July 1, 1983.

The West Germans said the cuts did not go far enough and would have to be strengthened.

## General Motors loss

General Motors said it lost \$539.3m (£234m) in Europe in 1982, compared with net income of \$338.1m (£157m) in 1981.

The European loss was said to be the largest part of its \$762.5m 1982 net loss.

## Israeli pay rise

Most Israeli employees will see their income rise 25 to 30 per cent next April, through a tax cut and a cost-of-living wage increase of 19.5 per cent.

But Israelis are more highly taxed than the citizens of 59 other countries.

## EEC inflation up

The European Economic Community registered a one per cent increase in its inflation rate in January, with France and Greece having the highest figures.

## German jobs

West German unemployment fell 6,646 in February to 1.30 million—5.6 per cent of the labour force. It was the first monthly fall since September, 1980.

## China to raise \$48m

China plans to tap the Japanese capital market for the first time later this year to raise the equivalent of about \$48m (£21m) through privately-placed yen denominated bonds.

## Move to advance assembly of cars in Britain to attract fleet buyers

# Talbot speeds up Horizon plans

Talbot, 70 per cent of whose United Kingdom car sales are accounted for by fleet and company buyers, is advancing plans to assemble the French-made Horizon in Britain to replace its biggest fleet seller, the Avenger.

Avenger production is to cease in May with the closure of the Linwood plant, leaving a gap of eight months before the new version of the Horizon is available.

The car has been on sale here for nearly two years but almost all purchases have been by private motorists. Fleet and company buyers have made it clear that without a "Made in Britain" label it only partly true, they cannot justify large scale purchases in the present economic climate.

Mr George Turnbull, chairman of Talbot UK, said yesterday: "A number of big fleet customers have told us that the Horizon would be a very attractive proposition for them if it was made in Britain. We are pushing ahead with plans to have the Horizon in production at Ryton before the end of the year with the engine being built at our Stoke plant and containing a significant proportion of British components."

Stoke also produces engines for the Avenger and Sunbeam models which will be discontinued with the closure of Linwood. This has led to concern among the 3,400 employees there that the workforce would be progressively reduced. However, a number of recent developments, including Horizon engine work, now make this unlikely.

The most significant development is the dramatic improvement in shipment of engines, gearboxes and axles to Iran. Soon after Peugeot acquired Chrysler UK (since renamed Talbot) the Iranian revolutionary authorities stopped all shipments on the \$10m-a-year contract.

Reduced shipments resumed last year only to be interrupted by a 12-week strike in the Coventry factories. Iran's war with Iraq halted shipments again but the biggest blow was the bombing of the Iranian car plant on the outskirts of Tehran. The Iranians at first said the damage was minor but later admitted serious disruption of production. Repairs taking several months have just been completed.

Mr Turnbull said yesterday: "The black-out prevents them working two shifts but with the advent of lighter nights, production is now being increased from 300 cars a day to 350 with a target of 400-plus. That will take us back to pre-trouble days and will make a significant difference to our profitability. We now hope to be back in profits sometime next year."

He has persuaded the Iranians, with whom he worked as a consultant for over a year, to take the Avenger engine in place of the much older Hunter power unit, allowing production to continue at Stoke after Linwood closes.

He has also won contracts to supply Avenger engines to two further Iranian companies, producing a total of 20,000 pick-up trucks a year. Half of them are Japanese Mazdas and Mr Turnbull claims that this will be the first instance in the world of a western engine displacing a Japanese one.

When Linwood closes in two months' time with the loss of 4,800 jobs Talbot's United Kingdom labour force will be down to only 10,000 compared with 23,000 in January, 1979. This has led to speculation that Peugeot sees its future as a sales and marketing outlet for French-made cars.

Mr Turnbull, vehemently denies this. "Peugeot said at the beginning and they still say now they wish to maintain a significant manufacturing presence in the United Kingdom. They have never deviated from that policy and they are doing it for very good reasons. This move to take the engine and more in favour of companies who have a manufacturing base here, if Peugeot withdrew it would have a dramatic effect on our sales."

Mr Turnbull has a further two years to run on his four-year contract and despite recent rumours to the contrary has every intention of seeing it through.

Clifford Webb

## Hoover to make 900 redundant

By John Huxley

Hoover, the domestic appliance manufacturer, is to make about 900 workers redundant at its three factories in Merthyr Tydfil, South Wales, Cambuslang, near Glasgow, and Perivale, London.

Last week, the company, which is 71 per cent owned by Hoover of Ohio, announced a pre-tax loss for 1980 of £2.75m.

About 300 jobs will be lost at Merthyr Tydfil, where the workforce totals 3,900. There will be 400 redundancies at Cambuslang out of 2,700 jobs, and 200 at Perivale, out of a total of 1,500.

At the start of this year the company's British workforce numbered slightly over 10,000, including marketing and administrative staff.

The redundancies come after a lengthy period of trading difficulties, which resulted in the shedding of more than 1,000 jobs last year, about 580 of them through redundancy, and the introduction of short time working for the entire workforce in September.

Yesterday, a company official blamed the latest redundancies on a combination of adverse factors, including falling demand in the domestic market and the strength of sterling, which has made exporting more difficult.

Hoover claims 40 per cent of

domestic cleaner sales in the United Kingdom and about 35 per cent of the market for washing machines. Both declined during 1980, the former by about 8 per cent and the latter by about 4 per cent.

At the same time imports have climbed steadily. Last year imports of cleaners rose by about 50 per cent and now take about 36 per cent of the United Kingdom market. Other domestic appliance makers have also been forced to introduce short time working and declare redundancies, and no manufacturer has been unable to secure price rises. Stocks are now standing at their highest level for several years.

## Top earners worst hit under Labour

By Frances Williams

Incomes became more divided during the period when the last Labour Government was in office, according to official figures published yesterday.

The share of income before tax of the top 1 per cent fell from 6.2 per cent in 1974-75 to 5.3 per cent in 1978-79. But the share of the bottom 10 per cent also declined, from 2.6 to 2.4 per cent.

Instead, the relative loss of the top 1 per cent was largely reflected in relative gains by the 9 per cent immediately below them.

The effects of taxation scarcely change the overall picture. The share of the richest 1 per cent fell from 4.5 per cent in 1974-75 to 3.9 per cent in 1978-79, as did that of the poorest 10 per cent, from 3.1 per cent to 2.9 per cent. At the same time the income share of the next richest 9 per cent went up.

Since the war there has been a consistent decline in the income share of the top 1 per cent. The next 9 per cent has remained fairly steady (though tending to increase over the past decade or so), while that of the 40 per cent of wage earners below has risen sharply.

to more than 50 per cent in 1978-79 from about 43 per cent in 1949.

Those in the bottom half of the income distribution have seen their share of the income cake remain almost constant over the 30 years, despite the enormous rise in real incomes in the period.

The official figures, given in an article in *Economic Trends* published yesterday by the Central Statistical Office, show that in 1978-79 the top three-quarters of personal income before tax went to families in the top half of the income distribution.

## US forum to study economy

By Frank Vogel

Washington, March 4

A fresh attempt has been made to establish a forum for direct discussions between leaders of American business and trade unions.

After a year of negotiation a formal labour-management group was announced today by Mr Clifton Garvin, chairman of Exxon and head of the business roundtable, and Mr Lane Kirkland, president of the AFL-CIO national trade union organization. They said the government had not been invited to participate. Mr Kirkland said that this was likely to be advantageous as both sides of industry searched for common ground on economic policies.

The last such effort at a labour-management dialogue collapsed in mid-1978 when the trade unions ended talks after particularly bitter lobbying in Congress by business groups against labour law reform.

The new group is being chaired by Professor John Dunlop, of Harvard University, a former United States secretary of labour. He stressed today that every other industrial nation in the world had a forum for labour-management talks.

The group would not become involved in contract negotiations of any kind.

## LETTERS TO THE EDITOR

# Poor results at ICI

From Mr D. N. Lawson

Sir, I notice that ICI blame only the Government for the world recession, the exchange rate, the poor results. Presumably they did not think they would believe them if they ascribed the poor performance to the phases of the moon or to the malign influence of the planets.

I had always believed that one of the key factors of senior management was the necessity to make decisions about the real world where Governments do act, recessions and over-capacity do occur, oil prices can be manipulated, and growth rates cannot be "extrapolated" forever; that ICI directors were paid so highly because they could make the necessary decisions correctly and they were then responsible for the consequences of these decisions. It is fairly obvious

from the results that the key decisions have been wrong more often than they have been right. Had the decisions been taken by tossing a coin, the laws of probability suggest that half the decisions would have been correct. That would appear to be a better success rate than the present senior management have achieved, and at a much lower cost!

Such a method would cause problems of deciding where the responsibility for decisions lay, but under the present scheme ICI senior managers do not have personal responsibility for the consequences of their decisions. They have shareholders to try to persuade them otherwise.

Yours faithfully,  
D. N. LAWSON,  
1 Bradgate Road,  
Brooklands,  
Middlesex TW20 3GW,  
February 28.

# Standards at Chinese hotels

From Mrs Helen Arrowsmith Brown

Sir, In the Business Diary February 26 your correspondent stated that because Chinese had so far allowed Western firms to hotels within their borders Western standards must be met. This is an inaccurate statement as is inaccurate.

With very few exceptions Chinese hotels are clean, rooms are comfortable, food good, plenty of hot water is provided and the service cheerful, efficient and courteous. Tipping is considered an affront. I was told by this "awfulness" for Hong Kong.

Certain Western hotels have a recent average standard but have no individuality. That the West seeks to impose its uniform and dreary standards on other parts of the world.

Your sincerely,  
HELEN ARROWSMITH-BROWN,  
17 Macaulay Buildings,  
Widcombe Hill,  
Bath BA2 6AT,  
February 26.

## Exonerating sugar

From Mrs E. Lewis

Sir, Possibly Mrs Gaddum (restricted sugar choice, February 20) will be glad to know the following facts. The pure substance obtained from the sugar cane is sucrose. The pure sugar obtained from the sugar beet is similarly sucrose. Both are marketed as granulated sugar and are in the pure state, aside from a negligible per cent

age of water. The failure of preserves to set will not have been due to the sugar, as such, but to one or more of the usual culinary causes of this occurrence.

Yours faithfully,  
E. LEWIS,  
14 Elphinstone Road,  
Hastings,  
East Sussex, TN34 2EF,  
February 23.

## Problems of nuclear reactors

From Professor J. V. Jeffery

Sir, Professor Freeman (letters, February 24) tries to prove too much. He indicates that in 20 years' time we may be using twice as much electrical energy as at present and that we should have 90 per cent of it generated from nuclear power.

This would involve starting building five large nuclear stations every year from now until 1994—70 in all. But fortunately there is an alternative indicated by the letter in the same issue from the Energy Coordinator of the Royal Institution of British Architects, on promoting energy conservation (a subject not mentioned by Professor Freeman).

Conservation and increase in the efficiency of energy use in industry and transport would allow us, as the IED study shows, to double production while actually decreasing our primary energy consumption. This is all without any significant contribution from renewable sources. But there are about 200 square miles of roofs in this country and something of the same order on commercial and industrial

buildings, so solar panels allied with the building of local fluidized bed power stations by the power construction industry and the use of waste heat for district heating would easily satisfy the demand for electricity and low temperature heat.

The use of the intermittent power of wind, and photovoltaic sources will be helped by all forms of storage, including electric vehicles. If we include biotechnology, already producing half of Brazil's "petrol" for new cars, it is perfectly possible to see how an adequate energy future could be achieved without the dangers of nuclear power development.

The dangers are not only of proliferation of nuclear weapons, although that is by far the greater threat to mankind, but also of nuclear power itself, particularly dangerous in itself. It is the only example I can think of where man deliberately starts something he cannot stop. It is not generally realized that a nuclear furnace cannot be completely shut down. Immediately after a large nuclear power station is

"scrambled" while on load, for any reason from grid failure to a catastrophic failure of coolant, the heat continuing to be generated in the nuclear furnace from radioactive decay, is equivalent to four of the largest open hearth electric furnaces used in the steel industry. Decay heat declines rapidly first, but even after 24 hours it is equivalent to a medium size steel industry furnace (15MW). After that the decline is very slow and even now at two years the problem of keeping the Three Mile Island C-2 cool is a major preoccupation of those attempting to clear the accident.

It is this unstoppable heat, the partner of the unique ability of radioactivity which has been developed in the nuclear furnace, that is the reason the major safety problems nuclear reactors.

Yours, etc,  
JIM JEFFERY,  
Department of Crystallography,  
University of London,  
Malet Street,  
London, WC1E 7HX.

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### RENTALS

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## BY THE FINANCIAL EDITOR

## Cons Gold's rich seam

Appropriately, gold has enabled Consolidated Gold Fields to maintain its record of raising profits and dividends faster than inflation.

Despite falls in the first half contributions to operating profits from base metals and most of the manufacturing interest, pretax profits were up 16 per cent at £76.2m, and the dividend is increased by the same percentage to 12.1 pence. Measured by earnings per share, the performance was better: up 20 per cent to 30.3p, allowing for the rights issue.

The reliance on gold is very clear. Earnings from the 47 per cent stake in Gold Fields of South Africa were £22.8m compared with £10.9m, and dividends from direct holdings in South African mines more than doubled as well to £14.8m. These results more than offset the decline in other sectors.

The biggest fall, though expected, was in construction materials, at Amey Roadstone. Operating profits fell £5.2m to £19.5m, reflecting a collapse of demand caused partly by the reduction in public spending. The results also include £2m for redundancies and closures.

The American drilling equipment and the Azcon scrap metal interests did well, but on balance the other manufacturing and commercial operations dropped £1.9m to bring in operating profits of £11.7m.

In all, the industrial business contributed 37 per cent of operating profits against 51 per cent in the first half of last year. Even though the base metals fell by £5.2m to £13.8m, largely because of low tin and copper prices and strikes at Renison, the whole mining sector increased its share from 36 to 49 per cent.

What these results show is that diversification works both ways: industrial profits can fall as well as rise. With little hope of industry doing better in the first half of 1981—Cons Gold's second half—and with the gold price similarly depressed, the company will be lucky to beat inflation again.

The market realised this when, after marking the shares up 37p at one point, they closed 5p lower at 423p. Assuming a dividend increase over the whole year of 15 per cent the yield is about 8.7 per cent. But, in the meantime Cons Gold is likely to have told shareholders how it intends to spend its rights issue proceeds.

● **Lazards is continuing to reap the benefit of the breakthrough it made with the financing of the Hongkong Mass Transit Railway through the first foreign-currency buyer-credit package denominated in the currency of the buyer three years ago. Yesterday the merchant bank announced that it had arranged an ECGD-backed loan for HK\$244m to finance Metro-Cammell's contract for the MTR's latest extension.**

The great attraction of this deal was that since the Railway's income was in HK dollars it laid itself open to big currency risks in taking out sterling debt.

Indeed the first stage of the MTR was financed in sterling and the currency scars are now showing up in the accounts. For the second stage of the development the authorities made sure they would repay debt in the same currency in which they were getting their revenue. And for the third stage "Island line" this form of financing is a "pre-condition for contracts".

There is every indication that but for this procedure, and the flexibility and co-operation of Britain's ECGD, British contractors would not have got a look in on the contracts. To date Lazards has netted £100m worth of ECGD-backed HK\$ finance which has proved less onerous for the United Kingdom clearing banks than other foreign currency deals arranged through the ECGD since it does not have to be refinanced through the Eurocurrency markets.

## General Accident Star turn

Justifying its star rating among insurance companies, General Accident is the only one of the big three United States-oriented groups to report increasing profits. A full-year gain of 7 per cent to £92.3m pretax compares with falls of seven and 25 per cent respectively reported recently by Royal and Commercial Union.

But after a year in which overall under-

writing losses spiralled from £18.2m to £27m GA seems no more sanguine about near-term prospects for the industry than either of its rivals.

Reflecting its bias towards less volatile personal lines business, GA has fared significantly better than CU and Royal in the United States. A tiny fourth quarter surplus reduces the year's deficit to £4.5m against £11.1m previously producing a statutory operating ratio of 101.5 per cent which is a few points below the industry average.

At the same time milder weather has reduced household and motor claims slashing the United Kingdom deficit from £10.3m to £2.4m. But severe competition has hit the group hard elsewhere, particularly in Australia and Canada and here as in the United States, the group thinks conditions will worsen before they improve.

Investment income, however, continues to take the strain showing a rise of 14 per cent to £119.2m, while strong equity market and relatively modest premium growth—12 per cent excluding currency movements—have helped put 7 points on the solvency margin at 59 per cent.

Despite ferocity in world markets, General Accident's high quality business portfolio should enable a further profit advance possibly to £105m this year. But the real key to GA's current attractions lie in its dividend paying capacity. A 121 per cent dividend increase produces a yield of fractionally under 6 per cent on the shares, up 2p to 324p. This is almost three points below that offered by Royal and nearly four below CU, but GA's payment is three times covered compared with less than twice in the case of the other two groups.

This extra flexibility points to much sounder prospects for dividend growth and should ensure GA continues to outperform its rivals. Despite some hopeful recovery buying in recent weeks, however, scope for further progress by the sector as a whole could be constrained until clearer signs emerge that competition worldwide is peaking.

## Ransomes Vulnerable to spending cuts

Ransomes Sims & Jefferies which makes heavy grass-cutting and specialised agricultural equipment, is one of those rare birds, an engineer making positive advances despite the recession.

But a sales gain of 16 per cent to £49m which has produced 8 per cent more profit at the operational level is all slightly soured by that bugbear of the industrial sector—high interest rates, not only here but also in the United States where Ransomes' business has local borrowings.

By the time these have taken their toll—and interest charges are up from £1.9m to £2.3m—1980 profits run out at £2.3m, down by 19 per cent.

Taking the view presumably that interest rates will continue to fall through 1981—on borrowings that have apparently been "contained at a slightly lower level" than in 1979 when gearing stood at approaching two-thirds—and that with sterling coming back, hard work export business will produce more satisfactory margins, Ransomes is now sticking its neck out and hoping for "comparable" results this year.

That looks possible: a heavy retrenchment programme involving a 30 per cent cut in the workforce over the past 12 months has obviously taken out substantial overheads albeit at the cost of a £0.92m exceptional item below the line this time.

There is one important snag though. Ransomes is heavily dependent on the United Kingdom market for its contract grass cutting equipment on public authorities. Obviously they are not going to be such ready buyers as in the past.

The market brushed aside that doubt yesterday and the shares gained 15p to 156p in what is a thin localised market. Here, Ransomes is yielding 10.2 per cent and selling at only 3 times latest stated historic earnings, after the tax credit, a cautious rating that looks justified this side of the Budget and the next EEC farm prices round which has a bearing on spending by farmers.

## Economic notebook

## When success is not what it seems

From their positions on the opposite sides of the divide in contemporary economics, the Keynesian National Institute and the monetarist London Business School, have arrived at some similar conclusions.

They agree that Britain is likely to see three million people jobless next year, for the first time for half a century. They also agree that the rapid decline in the inflation rate will be arrested at a level not much below 10 per cent.

The National Institute is marginally the more optimistic, predicting that the rate of inflation may inch down towards 8 per cent in the final three months of 1982, comparing price levels with those of a year earlier. This means that between 1979 and 1982 unemployment will have much more than doubled, while inflation will have been less than halved (comparing the levels in the fourth quarter of each year).

Such, then, has been the cost of the Government's "success" in reducing the rate of price increases. Even this success has partly involved undoing the harm that ministers have themselves done.

This is because a substantial amount of inflation has been injected directly into the economy by the Government. According to Lord Kaldor, giving evidence to the House of Commons Treasury and Civil Service Committee last summer, the Government had contributed 6 to 8 per cent to the cost of living through tax changes and other policy measures.

Other economists have suggested that the government contributed to inflation as at the upper end of the Kaldor band.

The indirect tax increases alone in June 1979, and March 1980, Budgets, added more than 5 per cent to the retail price index. The Government also abolished price controls, administered by the Price Commission.

It is not possible to quantify the effect on prices of this act, but it is unlikely to be insignificant. The Trade Union Research Unit at Ruskin College, Oxford, has pointed out that the cost of living rose by 40 per cent in the first year of price freedom (May, 1979-May, 1980). Brick prices as a whole rose by nearly as much as 37 per cent.

It is not, however, possible for these industries to argue that they were passing on exceptional cost increases, as the official index of materials and fuel purchased by these industries showed an annual rise of 25 per cent.

## Interest rates

The increase in interest rates has been a further factor affecting the retail price index.

Minimum lending rate was raised from 12 to 14 per cent in June, 1979, and raised further to 17 per cent in November of that year. It stayed at that level until last summer.

This raised costs in industries, which will have been passed on in higher prices wherever possible. The rise in house mortgage rates is alone calculated to have added 1 per cent to the retail price index. Also, government policies have forced nationalised industries to raise their prices by much more than the general increase in prices. The increase in nationalised industry prices is certainly not due to high wage settlements in these industries.

Between June, 1979, and June, 1980, the prices of goods and services produced mainly by nationalised industries rose 29 per cent, but average weekly earnings of men employed in public corporations rose by 22 per cent between April, 1979, and April, 1980.

But this is, of course, not all that the Government has itself

done to raise prices. The cuts in expenditure which Treasury ministers have tried to impose on local authorities, and the reduction in the Exchequer contribution to the financing of such expenditure, have led to large increases in local rates. In April, 1980, rates were increased by an average of 27 per cent for domestic properties and 23 per cent for businesses.

This, together with higher rents, produced a 30 per cent rise in the cost of "housing", as recorded by the retail price index, between mid-1979 and mid-1980. Furthermore, there have been increases in many charges, such as television licences, school meals and the like.

Thus, it seems quite probable that when the year-on-year increase in the retail price index hits its peak this May of 23 per cent, something over half of that rise will be attributable to the actions of Government.

## Wage claims

Part of the recent fall in the inflation rate has occurred because of the impact on the index of some of these government actions: it is no longer captured by the conventional year-on-year measure of price changes but covered from the report of "drop outs" of the calculation.

But the effects are longer lasting than ministers admit. It is a widely adopted practice when trades union leaders are formulating wage claims, to base them on changes in the retail price index over the preceding year. Thus, Government-induced price increases are built into wage demands and have "secondary" effects on the level of inflation.

For Geoffrey Howe, the Chancellor, to insist that there was no case for this, when he raised the rate of value-added tax in his first Budget, because workers had received compensating reductions in income tax. But, in fact, both of Sir Geoffrey's Budgets have increased taxation in real terms. The 1979 one did so largely by raising marginal rates, the 1980 one by reducing the real value of the tax credits.

If the Government's contribution to the retail price index was indeed of the order of 8 per cent points, its success in reducing inflation looks decidedly less impressive.

What the rate of inflation would be today without the government contribution is difficult to say. If, for example, interest rates had not been increased, the exchange rate would have been lower. The higher exchange rate has helped to hold price increases down by lowering import costs.

It might also be argued that if the Government had not taken the action that it did, then public spending and borrowing would have been even higher, leading eventually to bigger price increases or still higher inflation rates with a commensurately more depressing effect on output.

But the Government's fiscal and monetary policies have themselves pushed up its borrowing through their effect on output.

If inflation cannot be driven below 8 per cent at the trough of the business cycle, it is hard to believe that it will be pushed lower when, or if, any recovery comes along. Moreover, a sizable fall in the exchange rate has begun to look increasingly likely, thanks, in part, to the miners. This will drive inflation back into double figures.

High unemployment, on the other hand, will remain with us. Few, surely, will claim that such a small gain on the inflation front has been worth the cost.

Melvyn Westlake

## How industry is paying over the odds for its energy supplies

## GAS PRICES FOR THE STEEL INDUSTRY (November 1980)

(Customers purchasing 2 million therms a year)

Firm	Interruptible
UK	25.1
Belgium	19.5-20.5
France	20
Germany	19.4
Italy	19.5
Netherlands	20

\* Not agreed by the British Gas Corporation as representative.

• For an important group of energy-intensive users UK gas and electricity prices had moved significantly ahead of those being charged to some major competitors on the Continent by the end of 1980.

NEDC Energy Task Force report

But for the small, but important, group of energy-intensive industries which have been the focus of the task force investigation—accounting for some of the remaining 30 per cent of electricity consumption and a significant proportion of gas—United Kingdom prices had moved out of line with those charged on the Continent by the end of last year and heavy fuel oil remained "volatile".

So what has emerged from the task force's investigations into the particular problems of this group? The report shows that electricity prices—which are of particular interest to the steel and chemical industries—are at present 20-35 per cent lower in France than in England and Wales; German prices are up to 25 per cent lower at high load factors.

Over the short term the strengthening of the pound against the franc and the deutsche mark has been a significant factor, but other elements underlying the present discrepancy include the relative cost advantage of France's nuclear power generation and hydro-electricity. In West Germany tariff structures favour high load consumers.

The task force's secretariat has concluded that by the end of last year gas price disparities with the Continent were on average 2p-3p per therm (or 10 per cent) for interruptible supplies and 3p-5p a therm (or 10-20 per cent) for firm gas contracts. That represents an overall cost disadvantage to United Kingdom users on an average weighted basis of at least 10-15 per cent.

Ministers can therefore expect the energy-intensive industries to press them to act on earlier NEDC recommendations that the gas corporation should demonstrate a willingness to restructure its tariffs and negotiate discounts to large users similar to those available to continental consumers. The NEDC also asked the corporation to review "and redress" the present imbalance under which industrial gas customers are the only ones in Europe to pay more than domestic consumers.

The task force has rooted out the facts on energy price discrepancies. But in many respects the real debate has only just begun.

Peter Hill.

## Business Diary: Girobank's Wainwright • Gold-diggers of 1981

For Sam Wainwright the vigorous managing director of Nations Girobank yesterday's announcement that the Post Office's banking offspring is to join the London Bankers' Clearing House marks the great leap forward for the poor relations of banking.

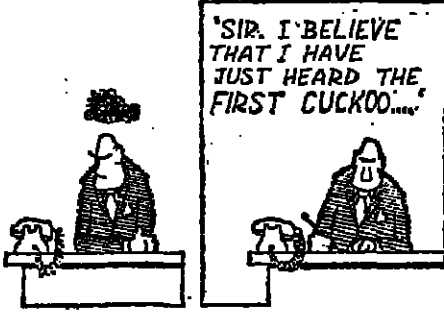
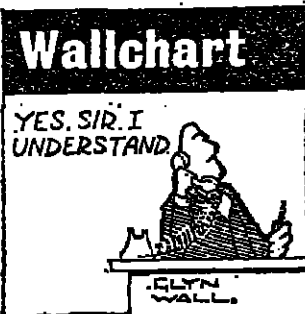
A former financial journalist and merchant banker, Wainwright, who has been at Milk Street since 1977, is one of the new breed of Post Office chiefs who prefer action to precedent.

He made Girobank's voice heard on the Committee of London Clearing Bankers—a working group on payment of wages.

While involved in the preliminary discussions with the London Clearing Bankers' Committee about this advance Wainwright will delegate its implementation. He is more concerned with his next project, the setting up of seven regional offices to bring Girobank account management nearer to large company customers.



Sam Wainwright



● If you are in line for a hand-out and want to make sure that it is of the golden, rather than the leaden, variety then you could do worse than invest 60p in the latest edition of *Labour Research*—unless, of course, there is a copy in the company library.

The journal—published by the trade union-sponsored Labour Research Department—has done a breakdown of 37 golden shakes totalling more than £4m over the last few years.

You can see what the going rate is from a table listing the lucky lads, which is topped by Sir Brian Massy-Greene, of Consolidated Goldfields (£250,000) and trailing off with Pat Matthews (First National Finance) and Gerald Harding (Bibby Line), who each got £50,000.

The star company is Dalgety, which paid £100,000 each to Robert Paul, Norman Rigby and William Shaw.

Perhaps even more interesting are £3.5m pay-offs to

persons unknown (£2.1m handed over by ICI in 1979 alone) as "pensions, gratuities in respect of executive services of former directors".

Tarmac is listed as having made similar payments of £215,000, Cavenham of £170,000 and Uigate £156,000 and there are lots, lots more. The point the Labour Research Department seeks to make is that for the workers the maximum state entitlement to redundancy pay after 20 years in one job is £3,900—as long as the State Redundancy Fund holds up.

One thing Japan is not making smaller these days is the Japanese themselves. A survey by the local government statistics bureau there shows that the height of high school boys has exceeded 170 cms (about 5 ft 7 ins) for the first time on record. They also weigh about 10 lb more on average than 20 years ago—owing mostly to eating more Western food.

● The Consumers' Association has planted the seed for an addition to its range of *Which?* magazines. It germinates successfully, *Gardening Which?* should blossom in 1982.

As yet, the organization's deputy director Rosemary McRobert emphasizes, the project is "highly embryonic". Advertisements are out to recruit the first diggers in the field, but no final commitment to the horticultural project will be made until mid-June.

The association's interest in gardening arises from a poll of its 600,000 members, but it also hopes that the magazine will introduce it to a completely new readership.

Gardening being a chancy and seasonal business, the Consumers' Association has to get down to the nitty-gritty right away if it is to have any crops to report on in 1982. The project may involve it in buying its own garden and trial beds if its attempt at propagation proves that it really does have green fingers.

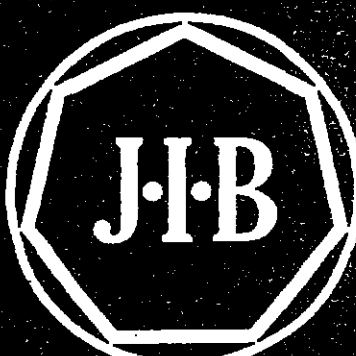
● John Brembridge, 31 years in the Far East, mostly in Hong-kong, bowed in yesterday as the Crown Colony's new Financial Secretary—its Chancellor of the Exchequer—and offered his sympathies to all companies who have been getting their fat Chinese contracts cancelled.

"The Japanese and Americans jumped up and down about the contracts they had won and then they collapsed, but if anything is required in dealing with China it is patience," Brembridge, chairman of the Swire Group—one of the two trading "Hongs" that dominate the island's activities—until he retired last November, sees no diminution in trading activities between China and Hong-kong.

Brembridge, 51, succeeds Sir Philip Haddon-Cave who moves up to Chief Secretary in Hong-kong. Sir Jack Cater, the present Chief Secretary, will be Hongkong Commissioner in London later this year.

Shareholders at yesterday's AGM of Grand Mer at the Lyceum in the Strand not only received the customary vouchers for goodies with their copies of the annual report but were invited to stay on for drinks at the close of the meeting, which most did. What, half an hour later, the hint that "we are now having to close the bar" went unheeded, there came over the loudspeaker a strident version of the National Anthem. It had the desired effect.

Ross Davies



## Extract from Accounts at 31st December, 1980

	1980	1979
Issued Capital	£000	£000
Retained Profits	10,800	10,800
Subordinated Loans	6,388	5,244
Deposits	4,194	4,497
Loans	377,358	357,130
Total Assets	222,954	230,835
Profits before Taxation	411,756	387,801
after Taxation	3,841	3,139
	1,792	1,500

## Japan International Bank Limited

Shareholders  
The Fuji Bank  
The Mitsubishi Bank  
The Sumitomo Bank  
The Tokai Bank  
Daiwa Securities  
The Nikko Securities  
Yamaichi Securities

107 Cheapside, London EC2V 6BR.



## Stock markets

## Unilever leads technical recovery

Some of the pre-Budget optimism returned to cheer the market yesterday in what looked like a modest technical recovery in most sectors, despite only small investment buying.

With the dividend cuts from both ICI and Unilever, dealers are now looking more definitely to a reflationary Budget next week. They are hopeful of emphasis on tax and industry in the form of changes in energy costs and taxation. But, the feeling is that the market will continue to behave erratically until Budget day.

The FT Index showed the firm start to the day by climbing 6.3 points to 502.5 by noon. After falling back to 500.9 by 3pm the Index closed ahead on the previous day at 500.0, up 3.8.

Gilt did not show the strength of the leading equities sector, despite the initial advances on opening of up to 51. Lungs reported a very quiet day rising to 51 but settling during the day to close lower by about 51. Shorts drifted through the day to close 51 off on most prices in the session, but rises were thought to have been gained after hours.

Leading equities, the first to feel the squeeze over the last two days, led the rally in the morning with rises throughout the blue chips. Shares in Unilever were the outstanding feature. Despite Tuesday's dividend cut, they picked up 15p during the day to recover all lost ground to 490p and closed easier at 487p.

Following suit, ICI rose 4p before dropping back to 250p. Pilkington rose 3p to 300p, and Beecham scored a 5p rise to 166p before closing at 165p. Glaxo was 2p higher at 292p, Lucas added 4p to 194p and Metal Box gained 8p at 182p. BAT was up 3p at 285p and Grand Metropolitan, after yesterday's annual meeting, was 3p higher at 183p. Bower advanced 4p to 209p and Rank

Organisation was up 4p at 182p. Dealers reported good two-way trade.

Among companies reporting, Ransomes Sims advanced 15p to 159p on better forecasts than expected but Matthew Clark, maintaining the interim, lost 2p to 136p on lower profits. Consolidated Gold, initially up to 437p on interim profit increases, fell back to 423p, with expectations of lower full-year results due to the gold price. Ewart New Northern climbed 10p to 180p on 33 per cent profits growth.

Rumours of an eventual bid at MDW Holdings pushed shares 7p higher at 78p and Whitecroft rose another 5p to 57p on the sale of its subsidiary. Burnett & Hallamshire jumped another 45p, on news of the United States acquisition, to close at 988p.

It is fast becoming a case of when, not if, a bid is made for Davenport Brewery, currently valued by one leading broker at over 200p a share. Talk of a 180p-a-share bid from Grand Metropolitan was yesterday superseded by rumours of a bid from Wolverhampton & Dudley. E. J. Thompson, chairman and managing director, said it was news to him. The shares closed unchanged at 132p.

News that Bardsey has pulled out of F. Pratt, selling its stake to 600 Group, left shares in Pratt lower by 6p at 114p. Otherwise, speculative buying saw Sangers, the optics group, rise 8p to 60p, M.L. Meyer 3p to 83p, David Dixon 4p to 126p, and Pritchard 4p to 145p.

Suspension of dealings in the Williams Hudson group at the Stock Exchange Council's request left shares at 95p, pending a circular on recent acquisitions.

Jobs in the engineering sector, reported as reasonable yesterday, saw no-way trade. The sector saw small gains throughout, but news of a strike at

Clydeside saw shares in John Brown knocked 3p to 74p. Meanwhile, Vickers put on 1p at 164p. Tube Investments was 4p higher at 194p, and Hawker Siddeley added 2p to 290p.

As the second-liners in the electrical sector, which saw most of the movement. On reflection, Diploma added 5p to 173p after results on Tuesday and Unitech followed gaining 8p to 256p. GEC was 1p better at 646p, Racal eased 2p to 359p, Plessey was 4p higher at 317p but Fordland saw 5p lopped at 540p. Thorn/EMI, after rises during the day, dropped to close 2p down at 306p.

After a firm opening in the breweries sector, dealers described buying as selective with prices easing during the day, despite continued fears of increased duties in next week's Budget. Most shares rallied with Bass higher 4p at 214p, Allied was unchanged at 661p but Whitbread gained 2p to 154p. Distillers dropped 1p to 190p.

Jobs in insurance reported a day of panic as many speculative buyers felt they had misread the market. With indications that the sector is going to outperform the market there were gains across the board. The higher-than-forecast results and the 121 per cent increased dividend from General Accident saw shares rising 2p to 324p. But GA has disappointed many with news that it is not going to pay a dividend. Royal, after results this week, was unchanged at 388p but GRE advanced 4p to 340p. Sun Alliance, reporting soon, added 2p to 806p but Commercial Union stayed at 150p. A drop in sterling against the dollar and other foreign currencies is still eagerly awaited as insurance groups continue losing from currency translations.

Properties showed a mixed day with small gains and losses. MEPC was unchanged at 234p but Land Securities rose 3p to 358p. Hanson "A" dropped back 5p to 615p and Stock Conversion advanced 3p to 343p. With results due today from

Barclays Bank, shares rose 5p to 408p since the dividend rise is already covered by the bank's public statements. All the leading banks saw gains, with National Westminster ahead 5p at 368p, Lloyds up 5p at 323p, and Midland advancing 5p to 335p. As hopes of a bid from Lloyds faded, shares in Grindlays fell back by 10p to 168p.

The oil sector, out of favour with buyers recently, saw a busy day with two-way trading in its conditions. Ultramar pushed ahead 17p to 510p on news of gas finds in Indonesia, a broker's circular and good profits results expected next week. The disappointing news over production forecasts from the Thistle Field in the North Sea depressed companies with holdings in the field like Burmah, Tricentral and Charterhouse Petroleum. Tricentral dropped 2p to 308p and Burmah

NEI looks too high at 791p. Sentiment is helped by new nuclear reactor orders and trading is certainly better than at many engineers, and the around £25m this time will be below some expectations and there is little chance of an increase in the dividend.

was 1p up at 182p. The leaders were better, with BP climbing 4p to 416p and Shell 4p at 422p. Both BP and Shell, seen as cheap buys-attracted interest and some buying was reported. Lasso, however, dropped back 2p to 647p and IC Gas gave up 3p to 20p. The disappointing news over production forecasts from the Thistle Field in the North Sea depressed companies with holdings in the field like Burmah, Tricentral and Charterhouse Petroleum. Tricentral dropped 2p to 308p and Burmah

Equity turnover for March 3 was £161.094 (bargains 21,364). Traditional options: Dealers reported increased activity yesterday. Calls were made in Fisons, Westminster Properties, Dunlop, Metro, Rothmans, Burmah, Standard Telephone and Cables, Barclays, British Aerospace, Resdon, Beecham and Central Pacific Minerals. Puts were arranged in GKN and Tubes. Doubles were completed in Westminster Properties and Burmah. Traded options: A total of 84 contracts were recorded. Consolidated Gold attracted 74, GEC 32, ICI a total of 135, Commercial Union 168, Land Securities, Lonrho 76 and Shell nine.

## Burton Group director resigns

By Rosemary Unsworth

Burton Group's deputy managing director, Mr Brian North, has resigned from the board. Last November Mr North was replaced as finance director by Mr W. Wood and his departure was no surprise in the stock market, where the share price gained 1p to 125p.

Mr North said yesterday that he was considering one or two offers, which were not necessarily in the retail trade. He declined to give details of his compensation from Burton. "It will be in the annual accounts", he said.

Burton also confirmed that it had been in discussion with a number of people over the possible sale of its loss making French business, but so far no deal has been concluded. "It will only be fair to say that we have a deal when we have signed it", Mr Wood said yesterday.

Burton has indicated for some time that it is not interested in keeping a retail making concern and the French side lost £1m last year. However, Mr Wood added that the division, which consists of 40 stores, had recently shown some improvement although he stressed that the main consideration was its long-term future.

But he dismissed suggestions that the group was also looking for a purchaser for the Ryman chain. "It is in profit and its performance has improved and we hope that it will continue to do so."

Tate & Lyle must wait for reasonable profit

By Our Financial Staff

After five months of the financial year, Tate & Lyle, the sugar refiner and trader, is in generally good shape. Lord Jellicoe said yesterday at the company's annual meeting. "But he warned shareholders: "We shall have to wait for a bit longer before achieving reasonable profitability."

The closure of the Liverpool refinery was deeply regretted but it should help to restore the sugar business to health. Lord Jellicoe said that discussions were continuing with the Government and unions on saving the 1,600 jobs. But he did not expect that the refinery could be saved.

Nevertheless, the company has offered to renew its contracts with the African, Caribbean and Pacific countries for the import of cane sugar. Lord Jellicoe said that the sugar would be refined in the United Kingdom but he hoped the ACP countries would accept some flexibility in the cane's final destination.

Tate & Lyle still has some problem areas, he went on. The agribusiness division, which lost

## Matthew Clark gloomy but will hold dividend

By Catherine Gunn

With higher duties expected on alcohol in next week's Budget, Mr F. Gordon Walker, chairman of wine and spirits merchant Matthew Clark & Sons, said yesterday that it is impossible to be optimistic about the group's full-year profits. However, he does intend to maintain the total dividend, and declared a maintained interim of 2.86 gross with the eight month interim profit yesterday.

The company made a £173m pretax to December 31, a decline of a fifth from the previous year, in a period that saw the cognac market fall by 22 per cent, and demand for

British and for champagne fall by 6 and 8 per cent respectively.

Matthew Clark has the Martell cognac agency here, and manufactures British wines—mainly sherry—and Stone's Green Ginger Wine. It also distributes De Kuyper liqueurs and Janneau Armagnac. It increased sales force last year and went aggressively for volume this year, increasing its share of a smaller market.

Margins have suffered, however. Sales rose 4.3 per cent to £40.9m, including duty of £16.4m. The biggest profit contributor was Martell Cognac and J. E. Mather, the British wines side, which did well thanks to

trading down to cheaper

ries by consumers. J. E. Mather is 52 per cent owned, with Bass and Metropolitan holding 24 cent each. Of Mather's higher interim profit, 588 was due to the other buy reducing Matthew Clark's ing and dividend cover fut

Crockerton Haulage, the rier acquired last June, m £95,000 loss, of which £3 was spent on setting up a bonded warehouse. Group borrowings are changed from a year ago, ing eased after the sea Christmas peak. But in costs are higher thanks t ceased rates.

## Bid approach lifts MDW

MDW Holdings, the Glasgow-based property investment and civil engineering group, saw its shares rise up 20p to 91p yesterday after it announced that it had received an informal bid approach.

The group, which has a market capitalization of £6m at these levels, is not in negotiation at the moment, according to Mr R. A. Whitson, the chairman, but an offer may be made. Apart from the directors, who hold about 12 per cent of the shares, the other main shareholder is ITC Pension Trust and Investments with 10 per cent of the group.

Net assets a share are currently around 100p with cash balances estimated around 35p a share. Interim pretax profits for 1979 amounted to £12.5m.

## Romney Trust Limited

Year ended 31st December	1980	1979
Value of net assets	£43,612,119	£32,843,96
Gross revenue	£2,505,838	£2,603,30
Per 25p stock unit:—		
Net asset value	154.3p	118.5
Earnings	4.52p	3.92
Dividend	4.40p	3.70

\*excluding 0.68p in respect of special dividends

The Chairman, Mr. S. G. Brooksbank, F.C.A. comments: The strength of sterling has caused serious problems in large areas of manufacturing industry in the UK and as a result of this and a lack of competitiveness generally, the prospects for an increase in the company's franked income during 1981 are not encouraging.

The new administration in the US has co-incided with a period of recovery for the US dollar. Its economic policies may well reinforce and continue this trend which has so far been mainly reflected in a weakness in continental currencies. For UK based institutions, this would add to the attraction of investing in those overseas economies which are likely to enjoy substantially higher rates of growth than in the UK. The directors feel that a policy of maximum flexibility should be pursued.

Copies of the Report and Accounts are available from the Secretaries, Lazard Brothers & Co. Limited, 21 Moorfields, London EC2P 2J.

## William Whittingham Group

- \* Record Profits at £2.847m.
- \* Proposed Dividends increased in line with earnings, up from 6.0p (net) to 6.75p (net).
- \* Group net assets in excess of £8.0m.

"Cautiously optimistic of further progress in current year."

John M. Wardle, Chairman

Results for the year to 31st October:	1980	1979
TURNOVER	25.125	20.803
PROFIT:		
Development & Property Division	2.442	1.676
Photographic Division	1.901	1.025
Investment Income	374	237
Associated Companies	—	8
Interest Paid	4.717	2.956
PROFIT BEFORE TAX	2.847	2.208
Taxation	374	29
PROFIT AFTER TAX	2.473	2.180

Copies of the accounts obtainable from: The Secretaries, William Whittingham (Holdings) Ltd., P.O. Box 60, Ettingshall Road, Wolverhampton, WV1 2JT.

## River and Mercantile Trust Limited

Year ended 31st December	1980	1979	Increase %
Income			
Gross Revenue	£3,187,029	£2,923,336	9.0
Net Revenue	£1,928,818	£1,700,270	13.4
Cost of Ordinary Dividend	£1,800,000	£1,440,000	25.0
Cost of Special Dividend	—	£103,299	—
Capital			
Total Assets of Company	£38,702,883	£30,904,915	25.2
Ordinary Shareholders' Assets	£36,702,883	£28,904,915	27.0
Per Ordinary Share			
Dividend Ordinary	15.0p	12.00p	25.0
Dividend Special	—	0.86p	—
Net Asset Value	305.9p	240.90p	27.0

The Directors also propose a one for one Bonus Issue. Overseas holdings and unlisted investments were increased during the year. The policy of the Board continues to be to increase earnings and at the same time to achieve a wider geographical spread and participation in smaller companies where opportunities for growth are seen.

While the prospects are that U.K. dividends declared during 1981 will not show the same increases as in 1980, with the substantial revenue reserves, the Directors would hope, in the absence of exceptional circumstances, to maintain the level of dividend.

Copies of the Report and Accounts may be obtained from Rivermoor Management Services, 44 Bloomsbury Square, London WC1A 2PA.

Company	Sales	Profits	Earnings	Div	Pay	Year's
Int or Fin	£m	£m	per share	pence	total	total
Matthew Clark (I)	40.9(39.2)	1.73(2.17)	3.5(10.7)	2.0(2.0)	13/4	(7.5)
Cons Gold Fields (I)	—	76.3(65.8)	30.3(25.3)	8.5(7.3)	30/4	8.5(22.5)
CSC Inv (F)	—	0.18(0.17)	—	4.5(3.75)	—	7.75(6.5)
Ewart New (I)	—	0.02(0.01)	2.22(1.27)	—	—	—
Fitzwilliam (I)	—	0.07(1.05)	—	3.0(1.05)	20/3	—
General Acc (F)	980.5(907.5)	92.3(86.5)	—	7.25(6.5)	1/7	13.5(12.0)
Mt Charlotte Inv (F)	11.6(9.98)	0.56(1.05)	1.36(2.78)	0.7(0.7)	1/7	0.7(0.7)
Nolton (I)	2.7(2.3)	0.03(0.10)	1.52(1.20)	0.6(0.6)	1/5	—

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiple the net dividend by 1.428. Profits are shown pre-tax and earnings are net. \* = Loss, † = Irish currency.

**NOTICE OF ISSUE** **ABRIDGED PARTICULARS**

Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

## THE SUTTON DISTRICT WATER COMPANY

Originally registered in 1863 as the Sutton and Cheam Water Company Limited under the Companies Act, 1862, and now incorporated as a Statutory Company under The Sutton District Waterworks Act, 1871.

### OFFER FOR SALE BY TENDER OF £3,000,000

#### 8 per cent. Redeemable Preference Stock, 1986

(which will mature for redemption at par on 30th May, 1986.)

#### Minimum Price of Issue—£100 per £100 Stock

Yielding at this price, together with the associated tax credit at the current rate, £11.42 per cent.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961 and by paragraph 10 (as amended in its application to the Company) of Part II of the First Schedule thereto. Under that paragraph, the required rate of dividend on the Ordinary Capital of the Company was 4 per cent. but, by the Trustee Investments (Water Companies) Order 1972, such rate was reduced to 2.5 per cent. in relation to dividends paid during any year after 1972.

The preferential dividends on the Stock will be at the rate of 8 per cent. per annum and no tax will be deducted therefrom. Under the imputation tax system, the associated tax credit at the current rate of Advance Corporation Tax (37/10ths of the distribution) is equal to a rate of 3 3/7ths per cent. per annum.

A deposit of £10 per £100 nominal amount of Stock applied for must accompany each Tender, which must be sent to DeLoitte Haskins & Sells, New Issues Department, P.O. Box 207, 128, Queen Victoria Street, London EC4P 4JX in a sealed envelope marked "Tender for Sutton Water Stock" so as to be received not later than 11 a.m. on Wednesday, 11th March, 1981. The balance of the purchase money will be payable on or before Wednesday, 25th March, 1981.

Copies of the Prospectus, on the terms of which alone Tenders will be considered, and Forms of Tender may be obtained from:—

Seymour, Pierce & Co.,  
10, Old Jewry, London, EC2R 8EA.

Lloyds Bank Limited,  
49, High Street, Sutton, Surrey SM1 1DX.

or from the Office of the Company at 59, Gander Green Lane, Cheam, Sutton, Surrey, SM1 2EW.

## Edinburgh American Assets Trust

Public Limited Company

Investment objective. The Company is an Investment Trust whose principal objective is long term growth of capital.

NET ASSET VALUE 1979-1980 + 39%  
NET ASSET VALUE 1974-1980 + 354%

Year	Value
1974	22.6p
1975	42.4p
1976	55.2p
1977	60.8p
1978	73.2p
1979	73.5p
1980	102.4p

Geographical Distribution

Region	Percentage
North America	67%
U.K.	23%
Europe	5%
Rest of World	5%

Copies of Report and Accounts are available from The Secretary, Edinburgh American Assets Trust P.L.C., c/o Ivory & Sime Ltd, 1 Charlotte Square, Edinburgh EH2 4DZ.

## Stroud Riley board rejects 42p offer

The board of Stroud, Riley, Drummond yesterday told shareholders to reject the 42p share offer made by Mr S. S. Simmonds, chief executive of the textile group, who is bidding after increasing his shareholding.

Mr Simmonds, who took up his option to acquire an additional 9.1 per cent stake to bring his total holding to 38.9 per cent on Tuesday, was obliged under the City Code Rule 34 to make an offer for the remaining shares at 42p each. The share price now stands at 51p. He entered into a put and call option with Mr J. Selka, a director, and other members of the Selka family, in November last year. Once Mr Simmonds agreed to purchase the extra shares he was obliged to make an offer.

Mr Simmonds explained the offer as "purely technical". He added that he had "no desire whatsoever" for the shareholders to accept. "With the share price at 51p there is no reason for that, except the offer of 42p," he said.

## Exchange stops deals in Williams Hudson

The Stock Exchange took the unusual step yesterday of calling a halt to dealings in Williams Hudson Group, the oil distribution and storage group. The shares were suspended first, thing yesterday at 95p pending the clarification of recent acquisitions made by the group and carried in the last set of reports and accounts. Under

## Ewart New Northern ahead for half year

Ewart New Northern reports a pretax profit for the half year to October 31 of £16,000 against £12,000. G. W. Harding, chairman of the property group, states that although the results for the current six months will be affected by increased maintenance costs and the reduced rate of government security grants, he expects that improved profits for the year will make it possible to recommend a final dividend of not less than 2 1/2p. This is against the total payment for the year to April 30 above that for the previous year.

## Hunting Gibson wins control of Stag Line

Hunting Gibson's £5.3m cash offer for Stag Line has now gone unconditional. Hunting Gibson received acceptance from shareholders of Stag Line in respect of 51.2 per cent of the shares, excluding the 6.1 per cent that Hunting and Son, a subsidiary of Hunting Gibson, already held.

## Brasway optimistic as losses are stanching

By Our Financial Staff

Mr R. A. Swaby, chairman of Brasway, yesterday told shareholders at the company hoped to break even by the year end despite the loss in the first half and reduced interim dividend.

In a letter to shareholders, he said that the group's trading position had improved after the stemming of losses in its ferrous division last October. The November figures showed an encouraging trend and December, despite being a short working month, and Janu-

ary had proved most gratifying.

The tube division continued to do well, all things considered, and its profit contribution of £74,000 for the nine months to January 31 helped to reduce overall losses to £114,000.

There are still three months left to achieve break even and as profits for January were £71,000 he believes the company stands a good chance of succeeding.

In the meantime, the group has acquired Woden Steel and Fasteners for £189,000 with net assets valued on a "going concern" basis of £360,000.

## River and Mercantile Trust Limited

Year ended 31st December	1980	1979	Increase %
Income			
Gross Revenue	£3,187,029	£2,923,336	9.0
Net Revenue	£1,928,818	£1,700,270	13.4
Cost of Ordinary Dividend	£1,800,000	£1,440,000	25.0
Cost of Special Dividend	—	£103,299	—
Capital			
Total Assets of Company	£38,702,883	£30,904,915	25.2
Ordinary Shareholders' Assets	£36,702,883	£28,904,915	27.0
Per Ordinary Share			
Dividend Ordinary	15.0p	12.00p	25.0
Dividend Special	—	0.86p	—
Net Asset Value	305.9p	240.90p	27.0

The Directors also propose a one for one Bonus Issue. Overseas holdings and unlisted investments were increased during the year. The policy of the Board continues to be to increase earnings and at the same time to achieve a wider geographical spread and participation in smaller companies where opportunities for growth are seen.

While the prospects are that U.K. dividends declared during 1981 will not show the same increases as in 1980, with the substantial revenue reserves, the Directors would hope, in the absence of exceptional circumstances, to maintain the level of dividend.

Copies of the Report and Accounts may be obtained from Rivermoor Management Services, 44 Bloomsbury Square, London WC1A 2PA.







[illegible][illegible][illegible]

**COFFEE**—ROBUSTA 16 per tonne, 1,127-1,245; ARABICA 16 per tonne, 1,127-1,245. No. 1, 1,050-1,150; No. 2, 1,000-1,100; No. 3, 950-1,050. Jan. 1, 1969-1970: March, 1,100-1,200; May, 1,150-1,250; July, 1,200-1,300; Sept., 1,250-1,350; Nov., 1,300-1,400; Jan., 1,350-1,450; March, 1,400-1,500; May, 1,450-1,550; July, 1,500-1,600; Sept., 1,550-1,650; Nov., 1,600-1,700; Jan., 1,650-1,750; March, 1,700-1,800; May, 1,750-1,850; July, 1,800-1,900; Sept., 1,850-1,950; Nov., 1,900-2,000; Jan., 1,950-2,050; March, 2,000-2,100; May, 2,050-2,150; July, 2,100-2,200; Sept., 2,150-2,250; Nov., 2,200-2,300; Jan., 2,250-2,350; March, 2,300-2,400; May, 2,350-2,450; July, 2,400-2,500; Sept., 2,450-2,550; Nov., 2,500-2,600; Jan., 2,550-2,650; March, 2,600-2,700; May, 2,650-2,750; July, 2,700-2,800; Sept., 2,750-2,850; Nov., 2,800-2,900; Jan., 2,850-2,950; March, 2,900-3,000; May, 2,950-3,050; July, 3,000-3,100; Sept., 3,050-3,150; Nov., 3,100-3,200; Jan., 3,150-3,250; March, 3,200-3,300; May, 3,250-3,350; July, 3,300-3,400; Sept., 3,350-3,450; Nov., 3,400-3,500; Jan., 3,450-3,550; March, 3,500-3,600; May, 3,550-3,650; July, 3,600-3,700; Sept., 3,650-3,750; Nov., 3,700-3,800; Jan., 3,750-3,850; March, 3,800-3,900; May, 3,850-3,950; July, 3,900-4,000; Sept., 3,950-4,050; Nov., 4,000-4,100; Jan., 4,050-4,150; March, 4,100-4,200; May, 4,150-4,250; July, 4,200-4,300; Sept., 4,250-4,350; Nov., 4,300-4,400; Jan., 4,350-4,450; March, 4,400-4,500; May, 4,450-4,550; July, 4,500-4,600; Sept., 4,550-4,650; Nov., 4,600-4,700; Jan., 4,650-4,750; March, 4,700-4,800; May, 4,750-4,850; July, 4,800-4,900; Sept., 4,850-4,950; Nov., 4,900-5,000; Jan., 4,950-5,050; March, 5,000-5,100; May, 5,050-5,150; July, 5,100-5,200; Sept., 5,150-5,250; Nov., 5,200-5,300; Jan., 5,250-5,350; March, 5,300-5,400; May, 5,350-5,450; July, 5,400-5,500; Sept., 5,450-5,550; Nov., 5,500-5,600; Jan., 5,550-5,650; March, 5,600-5,700; May, 5,650-5,750; July, 5,700-5,800; Sept., 5,750-5,850; Nov., 5,800-5,900; Jan., 5,850-5,950; March, 5,900-6,000; May, 5,950-6,050; July, 6,000-6,100; Sept., 6,050-6,150; Nov., 6,100-6,200; Jan., 6,150-6,250; March, 6,200-6,300; May, 6,250-6,350; July, 6,300-6,400; Sept., 6,350-6,450; Nov., 6,400-6,500; Jan., 6,450-6,550; March, 6,500-6,600; May, 6,550-6,650; July, 6,600-6,700; Sept., 6,650-6,750; Nov., 6,700-6,800; Jan., 6,750-6,850; March, 6,800-6,900; May, 6,850-6,950; July, 6,900-7,000; Sept., 6,950-7,050; Nov., 7,000-7,100; Jan., 7,050-7,150; March, 7,100-7,200; May, 7,150-7,250; July, 7,200-7,300; Sept., 7,250-7,350; Nov., 7,300-7,400; Jan., 7,350-7,450; March, 7,400-7,500; May, 7,450-7,550; July, 7,500-7,600; Sept., 7,550-7,650; Nov., 7,600-7,700; Jan., 7,650-7,750; March, 7,700-7,800; May, 7,750-7,850; July, 7,800-7,900; Sept., 7,850-7,950; Nov., 7,900-8,000; Jan., 7,950-8,050; March, 8,000-8,100; May, 8,050-8,150; July, 8,100-8,200; Sept., 8,150-8,250; Nov., 8,200-8,300; Jan., 8,250-8,350; March, 8,300-8,400; May, 8,350-8,450; July, 8,400-8,500; Sept., 8,450-8,550; Nov., 8,500-8,600; Jan., 8,550-8,650; March, 8,600-8,700; May, 8,650-8,750; July, 8,700-8,800; Sept., 8,750-8,850; Nov., 8,800-8,900; Jan., 8,850-8,950; March, 8,900-9,000; May, 8,950-9,050; July, 9,000-9,100; Sept., 9,050-9,150; Nov., 9,100-9,200; Jan., 9,150-9,250; March, 9,200-9,300; May, 9,250-9,350; July, 9,300-9,400; Sept., 9,350-9,450; Nov., 9,400-9,500; Jan., 9,450-9,550; March, 9,500-9,600; May, 9,550-9,650; July, 9,600-9,700; Sept., 9,650-9,750; Nov., 9,700-9,800; Jan., 9,750-9,850; March, 9,800-9,900; May, 9,850-9,950; July, 9,900-10,000; Sept., 9,950-10,050; Nov., 10,000-10,100; Jan., 10,050-10,150; March, 10,100-10,200; May, 10,150-10,250; July, 10,200-10,300; Sept., 10,250-10,350; Nov., 10,300-10,400; Jan., 10,350-10,450; March, 10,400-10,500; May, 10,450-10,550; July, 10,500-10,600; Sept., 10,550-10,650; Nov., 10,600-10,700; Jan., 10,650-10,750; March, 10,700-10,800; May, 10,750-10,850; July, 10,800-10,900; Sept., 10,850-10,950; Nov., 10,900-11,000; Jan., 10,950-11,050; March, 11,000-11,100; May, 11,050-11,150; July, 11,100-11,200; Sept., 11,150-11,250; Nov., 11,200-11,300; Jan., 11,250-11,350; March, 11,300-11,400; May, 11,350-11,450; July, 11,400-11,500; Sept., 11,450-11,550; Nov., 11,500-11,600; Jan., 11,550-11,650; March, 11,600-11,700; May, 11,650-11,750; July, 11,700-11,800; Sept., 11,750-11,850; Nov., 11,800-11,900; Jan., 11,850-11,950; March, 11,900-12,000; May, 11,950-12,050; July, 12,000-12,100; Sept., 12,050-12,150; Nov., 12,100-12,200; Jan., 12,150-12,250; March, 12,200-12,300; May, 12,250-12,350; July, 12,300-12,400; Sept., 12,350-12,450; Nov., 12,400-12,500; Jan., 12,450-12,550; March, 12,500-12,600; May, 12,550-12,650; July, 12,600-12,700; Sept., 12,650-12,750; Nov., 12,700-12,800; Jan., 12,750-12,850; March, 12,800-12,900; May, 12,850-12,950; July, 12,900-13,000; Sept., 12,950-13,050; Nov., 13,000-13,100; Jan., 13,050-13,150; March, 13,100-13,200; May, 13,150-13,250; July, 13,200-13,300; Sept., 13,250-13,350; Nov., 13,300-13,400; Jan., 13,350-13,450; March, 13,400-13,500; May, 13,450-13,550; July, 13,500-13,600; Sept., 13,550-13,650; Nov., 13,600-13,700; Jan., 13,650-13,750; March, 13,700-13,800; May, 13,750-13,850; July, 13,8

tone: Barley steady. ISA prices (March 20): daily, 22-72c, 15-day average, 23 71c.

**SOYABEAN MEAL** was quiet and slightly easier 1c per tonne.—April, 121.50-21.70c, June 123.50-23.60c. Aug. 126.70-26.90c, Oct. 128.00-28.10c. Dec. 129.00-29.10c. Feb. 129.50-29.50c. Apr. 129.50-29.50c.

**Wool** 170-180c. DO Sainfoin 140-160c.

**WOOL** New Zealand crossbreds: No 2 contract cents per lb (quiet).—March 141-17c, May 151-50c, Aug. 154-50c, Oct. 167-72c, Dec. 176-78c, Jan.

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[illegible][illegible]

WOT (Wheat)	Apr.-Oct.	41.70
Nov. 1977-60	Feb. 1970	54.05
FGG3 (The London Economic Forecast)		
Home-produced	With summer drought	
	Higher levels of prices are being asked.	
Imported:	The continental market	
	comes firm, with higher asking	
	prices.	
Home-produced/market prices in £ per		
ton based on 1970-71 trading pattern		
Home:		
Wheat	W. and T. 1970-71	Nov. 1970
1% 5.00 to 5.30	5.00 to 5.10	
2% 4.60 to 4.70	4.60 to 4.70	
3% 4.60 to 4.70	4.60 to 4.70	
4% 4.20 to 4.30	4.20 to 4.30	
Barley		
1% 5.00 to 5.10	5.10 to 5.20	
2% 4.60 to 4.70	4.60 to 4.70	
3% 4.60 to 4.70	4.60 to 4.70	
4% 4.10 to 4.20	4.10 to 4.20	
5% 3.90 to 4.00	3.90 to 4.00	
6% 3.50 to 3.60	3.50 to 3.60	
7% 3.20 to 3.30	3.20 to 3.30	
8% 2.90 to 3.00	2.90 to 3.00	
9% 2.50 to 2.60	2.50 to 2.60	
10% 2.20 to 2.30	2.20 to 2.30	
11% 1.90 to 2.00	1.90 to 2.00	
12% 1.60 to 1.70	1.60 to 1.70	
13% 1.30 to 1.40	1.30 to 1.40	
14% 1.00 to 1.10	1.00 to 1.10	
15% 0.70 to 0.80	0.70 to 0.80	
16% 0.40 to 0.50	0.40 to 0.50	
17% 0.10 to 0.20	0.10 to 0.20	
18% 0.00 to 0.10	0.00 to 0.10	
19% 0.00 to 0.10	0.00 to 0.10	
20% 0.00 to 0.10	0.00 to 0.10	
21% 0.00 to 0.10	0.00 to 0.10	
22% 0.00 to 0.10	0.00 to 0.10	
23% 0.00 to 0.10	0.00 to 0.10	
24% 0.00 to 0.10	0.00 to 0.10	
25% 0.00 to 0.10	0.00 to 0.10	
26% 0.00 to 0.10	0.00 to 0.10	
27% 0.00 to 0.10	0.00 to 0.10	
28% 0.00 to 0.10	0.00 to 0.10	
29% 0.00 to 0.10	0.00 to 0.10	
30% 0.00 to 0.10	0.00 to 0.10	
31% 0.00 to 0.10	0.00 to 0.10	
32% 0.00 to 0.10	0.00 to 0.10	
33% 0.00 to 0.10	0.00 to 0.10	
34% 0.00 to 0.10	0.00 to 0.10	
35% 0.00 to 0.10	0.00 to 0.10	
36% 0.00 to 0.10	0.00 to 0.10	
37% 0.00 to 0.10	0.00 to 0.10	
38% 0.00 to 0.10	0.00 to 0.10	
39% 0.00 to 0.10	0.00 to 0.10	
40% 0.00 to 0.10	0.00 to 0.10	
41% 0.00 to 0.10	0.00 to 0.10	
42% 0.00 to 0.10	0.00 to 0.10	
43% 0.00 to 0.10	0.00 to 0.10	
44% 0.00 to 0.10	0.00 to 0.10	
45% 0.00 to 0.10	0.00 to 0.10	
46% 0.00 to 0.10	0.00 to 0.10	
47% 0.00 to 0.10	0.00 to 0.10	
48% 0.00 to 0.10	0.00 to 0.10	
49% 0.00 to 0.10	0.00 to 0.10	
50% 0.00 to 0.10	0.00 to 0.10	
51% 0.00 to 0.10	0.00 to 0.10	
52% 0.00 to 0.10	0.00 to 0.10	
53% 0.00 to 0.10	0.00 to 0.10	
54% 0.00 to 0.10	0.00 to 0.10	
55% 0.00 to 0.10	0.00 to 0.10	
56% 0.00 to 0.10	0.00 to 0.10	
57% 0.00 to 0.10	0.00 to 0.10	
58% 0.00 to 0.10	0.00 to 0.10	
59% 0.00 to 0.10	0.00 to 0.10	
60% 0.00 to 0.10	0.00 to 0.10	
61% 0.00 to 0.10	0.00 to 0.10	
62% 0.00 to 0.10	0.00 to 0.10	
63% 0.00 to 0.10	0.00 to 0.10	
64% 0.00 to 0.10	0.00 to 0.10	
65% 0.00 to 0.10	0.00 to 0.10	
66% 0.00 to 0.10	0.00 to 0.10	
67% 0.00 to 0.10	0.00 to 0.10	
68% 0.00 to 0.10	0.00 to 0.10	
69% 0.00 to 0.10	0.00 to 0.10	
70% 0.00 to 0.10	0.00 to 0.10	
71% 0.00 to 0.10	0.00 to 0.10	
72% 0.00 to 0.10	0.00 to 0.10	
73% 0.00 to 0.10	0.00 to 0.10</	

1's	3 10 to 4 10
2's	4 45
3's	4 30 to 4 45
4's	4 20 to 4 35

All prices quoted are for bulk delivery in Keweenaw trays. The above range is for standard conditions.

**Wheat pact likely to be extended**

The International Wheat Agreement is likely to be formally extended by two years from July 1 at a special conference to be held in London on Friday, delegates to a special International Wheat Council (IWC) session reported

Yesterday afternoon, the IWC agreed that the Wheat Trade Convention should be extended by two years and the Food Aid Committee should make a similar decision on its convention when it meets today.

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# Wall Street

The printers were to another day of fairly comfortable credit conditions yesterday. But, once again, money was reluctant to show in any volume, the market possibly keeping an anxious eye on next week's programme of heavy loan repayments and restoration of banks' reserve asset ratio requirements. Only in late trading did rates ease a trifle, closing balances being taken between 13½ and 14 per cent.

to keep its special Lombard facility at 12 per cent for trading today promoted a late decline in the deutschemark against the dollar yesterday. Earlier on, the German and other key European currencies had made sharp gains at the dollar's expense on the view my many dealers that the Bundesbank would increase the Lombard facility sharply to support the deutschemark.

Sherling, firmer at first in dollar terms, ended 75 points

The pound registered a steeper decline against other key currencies. This was measured by a fall to 98.7 in its trade-weighted index from the overnight calculation of 99.5.

With Eurodollar deposit rates lower and with sentiment unsettled by Tuesday's cuts in United States bank prime rates, the dollar dipped 4 pence at one time against the deutschmark to 2.335.

**Other**

[illegible]

Effective exchange rate compared to 1973, was 98.7 down 0.8.

## Markets

Australia	1.9045-1.9765
Bahrain	0.8345-0.8375
Brunei	1.9300-1.9375
Malaysia	115.25-117.25
Hongkong	11.3210-11.6610
Iran	not available
Kuwait	0.9005-0.9005
Malaysia	5.00-5.12
Sweden	51.60-52.70
New Zealand	2.40-2.42
Saudi Arabia	7.1155-7.1155
Singapore	6.6550-6.6550
South Africa	1.7475-1.7475

## Money Market

	Jan.	Jan.
	England	Gumainty
	Index	Changes
Sterling	98.7	-2.4
US dollar	100.6	-1.8
Canadian dollar	84.9	-14.6
Schilling	116.1	+2.0
Belgian franc	107.6	-6.7
Danish kroner	89.2	-1.8
Swiss franc	106.6	+3.8
Swiss franc	134.0	-16.9
Guilder	112.3	-7.5
French franc	86.0	-9.2
Lira	81.5	-35.4
Yen	146.5	+45.1

Based on trade weighted changes from Washington agreement December 1971.

Source: *Financial Times* and *Financial Index* 1000.

[illegible]

# Rates

Bank of England MLR 14%  
(Last changed 24/11/88)  
Clearing Banks Base Rate 14%  
Discount NM Loans  
Overnight: High 14 Low 13%  
Week Fixed: 14  
Treasury Bills (Disc%)  
Buying Selling  
2 months 13% 2 months 11%  
3 months 11% 3 months 11%  
Prime Bank Bills (Disc%) Trades (Disc%)

3 month

# EMS Currency Rates

	currency central bank rate:	change from central rate:	change limit plus minus	divergence limit plus minus	
Belgian franc	20 7897	41 6620	+4 78	+3 38	1 month
Danish krone	7 4236	9 0851	+3 39	+1 63	3 months
German D-mark	2 48208	5 3485	-3 07	-1 33	3 months
French franc	1 4700	1 5000	-0 90	-0 50	6 months
Dutch guilder	2 74382	2 8194	-2 49	-0 81	3 months
Lire punt	0 668201	0 692511	+1 04	+0 64	1 month
Italian lira	1 187 79	1 228 96	+0 15	+0 76	3 months

+ changes are for the ECU therefore positive change denotes weak  
 - adjusted for sterling's weight in the ECU, and for the lira's wider  
 divergence limits.

Adjustment calculated by The Times.

<b>Euro-\$ Deposits</b>	<b>Gold</b>	Overnight
1st call: 144-154, seven days	Gold fixed (one oz): \$475.75 (an ounce)	1 week
1st bid: 144-154, one month	pl. \$465.50 (one oz): \$464.50.	1 month
3 months, 144-154, 104-106, six	Kruggerand (per coin): \$482-485	3 months
months, 104-106.	(12.18, 25-20, 75).	
	Sovereigns (new): \$117-119 (\$33.25	Financial
	\$4.25).	

2 months	11 <sup>15</sup> / <sub>16</sub>	3 months	12 <sup>1</sup> / <sub>2</sub>
3 months	11 <sup>15</sup> / <sub>16</sub> - 11 <sup>11</sup> / <sub>16</sub>	4 months	12 <sup>1</sup> / <sub>2</sub>
4 months	11 <sup>15</sup> / <sub>16</sub> - 11 <sup>11</sup> / <sub>16</sub>	5 months	12 <sup>1</sup> / <sub>2</sub>

4 months	11%~11%	6 months	12
6 months	11%~11%		
<b>Local Authority Bonds</b>			
1 month	14%~14%	7 months	12%~12%
2 months	14~12%	8 months	12%~12%
3 months	12%~12%	9 months	12%~12%
4 months	12%~12%	10 months	12%~12%
5 months	12%~12%	11 months	12%~12%
6 months	12%~12%	12 months	12%~12%
<b>Secondary Mkt. ICT Rates (%)</b>			
1 month	13%~13%	8 months	12%~12%
3 months	12%~12%	12 months	14%~12%
<b>Local Authority Market (%)</b>			
2 days	14%	3 months	12%
7 days	14%	6 months	12%
1 month	13%	1 year	12%
<b>Interbank Market (%)</b>			

Overnight: Open Bank/Rate Club 14  
 1 week 12 $\frac{1}{2}$ -15 6 months 12 $\frac{1}{2}$ -13 $\frac{1}{2}$   
 1 month 12 $\frac{1}{2}$ -13 $\frac{1}{2}$  9 months 13-13 $\frac{1}{2}$   
 3 months 12 $\frac{1}{2}$ -13 $\frac{1}{2}$  12 months 13-13 $\frac{1}{2}$

First Class Finance House (Mkt. Rate%)  
 3 months 13 $\frac{1}{2}$  6 months 12 $\frac{1}{2}$

Finance House Base Rate 14%

## Authorized Units, Insurance & Offshore Funds

[illegible][illegible]





## Secretarial Recruitment Consultancy Manager (Director Designate)

Central London Emoluments £10,000 — £15,000

Our client, a fellow subsidiary of a major consulting group, is a small but successful, full secretarial recruitment consultancy with an established clientele.

They wish to further develop, in a controlled and highly professional way, the services they offer and seek a competent and trustworthy individual capable of assuming full control.

Reporting directly to the parent company, the successful candidate, male or female, will have responsibility for all aspects of our client's current operations and their expansion programme. Candidates should have had a successful career to date in a people oriented activity, the ability to implement development plans, and to train and motivate in-house personnel to a high level of performance.

In the first instance please submit a brief C.V. in complete confidence to Ronald Vaughan, John Buckman Associates Ltd., 418, Strand, London, WC2R 0NS. Tel: 01-585 5501.

## ARE YOU GOOD? WE ARE!

We are a Group of expanding companies who need someone to assist the managing directors of two of our subsidiary companies in basic administrative functions. You must be good at administration, typing, word processing (or willing to learn), commonsense solutions to problems, exercising your initiative, keeping calm under pressure.

The job will involve some routine drudgery but you will also have many chances to show your creative abilities and entrepreneurial capabilities.

We offer a salary of up to £5,000 p.a., a profit-sharing bonus of substantial proportions, L.V.s, BUPA membership, season ticket loan and pension scheme. The person appointed will be expected to make their own contribution to the continued success of our Group over a prolonged period.

Written applications only with full C.V. to: Brenda O'Shea, Pharos Distribution Services Limited, 5-11 Lavington Street, London SE1 0NZ.

## CHELSEA SECRETARY/RECEPTIONIST FOR ARCHITECTURAL PRACTICE

We are looking for a Secretary/Receptionist for a group architectural practice. Typing and architectural experience not as important as approach to job, but experience in handling people and architectural library is desirable. Pleasant, friendly working atmosphere. Age 21-25 years. Salary up to £6,000.

Tel. 01-352 7741, Mr. Adams.

## Dynamic Person Required

To assist two young Directors in Import/Export company based in prestigious offices in Wimbledon. Duties to include secretarial work and commercial responsibility. We need an intelligent, well-groomed person aged 25-30, who wants to become involved in the running of a small business. Knowledge of Dutch useful but not essential. Hours 9.5-5.30. Generous bonus scheme. 4 weeks' holiday. Salary negotiable.

Please contact David Lubbock on 01-947 7761

## WIMBLEDON 1981

Presentable drivers wanted to chauffeur tennis stars. Must hold clean licence and have a minimum of 3 years' driving experience in the London area.

Apply Box 2717 F, The Times

## FOCUS ON ADVERTISING

£6,000

Some involved in Media Planning, TV advertising and public relations, we are looking for a dynamic person to join our team. The business continues to expand and is involved with property development and open plan offices. We are offering a salary of £5,750 p.a. + bonus. So contact Hazel at 01-483 4372, 28 Conduit St., London, W.1.

01-621 0566

## WE ARE TRYING

to find for this charming director, and occasionally for two others, a Secretary who is looking for involvement and responsibility. There will be a variety of work including handling the affairs when he is out. The business continues to expand and is involved with property development and open plan offices. We are offering a salary of £5,750 p.a. + bonus. So contact Hazel at 01-483 4372, 28 Conduit St., London, W.1.

01-621 0566

## Executive Secretary to Finance Director

£27,000

The excellent salary being offered for this position reflects both the importance and potential of the work you would undertake at the Head Office of our worldwide businesses based in Mayfair. Responsible for providing full secretarial back-up to our Finance Director, you should have had several years' experience at senior level and should display both discretion and initiative. You must have first-class secretarial skills, plus the motivation and commitment necessary to meet the demands of this very interesting senior position.

Please write with full career details to Mrs P. Glasscock, Central Services Personnel Manager, The Rank Organisation, 11 Hill Street, London W1.

The Rank Organisation

## SENIOR SECRETARY

The Computing Services Association is a dynamic trade association in the important modern business of computing services. The Director General requires a senior secretary to carry out all the duties of a personal secretary, and to assist in other general office responsibilities. This is an excellent career opportunity for a dedicated person who likes to be kept busy in a challenging environment.

Salary circa £6,000, 4 weeks' holiday, etc.

General Computing Services Association, Hanover House, 73-74 High Holborn, London WC1V 6LE.

## INTERNATIONAL DESIGN STUDIO

Needs an efficient, career minded Secretary to work with a young creative company. Requires organising ability and ambition to become part of the team. Salary as high as applicant can command.

To start in March. Please apply in writing enclosing C.V. to John Houslik Design Ltd., 17 Savile Row, W1X 1AG.

## ASSOCIATION OF TEACHERS OF DOMESTIC SCIENCE

### SECRETARY

with good shorthand and typing skills for teachers' professional association near King's Cross. Satisfying post for experienced person joining a small, friendly team. Duties include taking minutes, dealing with professional enquiries and members' correspondence. Salary from £5,000 to £5,500 p.a. plus L.V.s and 4 weeks' holiday.

Apply with full details to General Secretary, A.T.D.S. Ltd., Hamilton House, Mableton Place, London, W.C.1, or telephone 01-387 1441 for application form.

## AMERICAN BANK wishes to recruit SECRETARY/P.A. £6,000 + mortgage

Conversational French would be useful, and impeccable skills and appearances are imperative, to assist this delightfully extrovert Vice-President. Outstanding opportunity for a personable, confident Secretary.

Appointments on 01-606 4711

## BILINGUAL SECRETARY (English/German)

sought by International Company in the West End. We require: experience and enthusiasm to work under pressure — shorthand English/German. We offer: around £6,500, 2-4 weeks' holidays, 5-day week. (Age approx. 25-35) Applications with C.V. to Box 2719 F, The Times.

## TOP FRENCH JEWELLER REQUIRES SALES ASSISTANT

Ideal position for young person to train with high class jeweller. High personal standards, and impeccable appearance required. Knowledge of French preferable. Successful applicant will enjoy good salary and excellent conditions. Phone 499 5716

## FINANCE YOUR FORTUNE

Up to £5,500 with early review. Allow this affable Financial Director to deputise for a hectic secretary. Create your own correspondence, organise financial and general staff well. Excellent secretarial skills essential. For more details phone Diane Mitton 58-60 Hemsland, E.C.3.

01-621 0566

## SECRETARY required for Financial Director

If you're aged 30 or over, with good shorthand and audio experience we'd like to hear from you. We are a well-known international company currently requiring a top-class secretary for one of our directors and we're prepared to offer £5,000 plus a company car for the right applicant.

Contact Joyce Monaghan, Heron Corporation Ltd., Heron House, 19 Marylebone Road, London NW1 5JL or telephone 01-486 4477.

## COVENT GARDEN

Efficient and enthusiastic Secretary with good shorthand typing required for two account directors in creative marketing agency. £5,250 p.a. neg. Phone Annie Flanagan, 01-240 3616

## WORD PROCESSOR/ SECRETARY

Are you willing to work hard, type fast and be well paid? Our clients are prestigious international companies requiring responsible, intelligent and willing shorthand and audio secretaries with word processing training. Excellent salary, benefits and remuneration for quality applicants. Ring Valerie Hoath, The Work Programme Recruitment, Consulting, 406 569/5073.

Ring Joanne on 01-486 6277

## THE CIVIL & PUBLIC SERVICES ASSOCIATION

## PRIVATE SECRETARY

This trade union headquarters has a vacancy for an experienced private secretary at its office at Wandsworth Common. Excellent secretarial skills required (50/120 wpm) and experience of minute-taking desirable.

Salary £5,954 rising to £7,120, flexible working hours and excellent conditions.

For further details ring Judy Douch 01-874 0494.

## SENIOR POSITION

for an experienced Legal Secretary to assist the Senior Partner of Holborn Solicitors.

The position involves a variety of Secretary/P.A. duties including dealing with pop stars. The successful applicant must have varied legal experience together with excellent audio typing speeds of 60-70 w.p.m., preferably with shorthand experience and able to use Telex.

Modern working conditions; 1981 holiday arrangements will naturally be honoured. Salary £6,500.

Please ring Ref. PES on 01-405 2889.

## MARKETING AND CONFERENCE PRODUCTION COMPANY REQUIRE

### SECRETARY/PA

to work for busy Chairman/Chief Executive. Suitable applicants should have good shorthand and typing skills as well as an ability to make decisions and work on own initiative.

Please write to Carol Martin, Chilton Lang, Carusby House, 27-29 Beak Street, London, W.1, giving full details of your career to date.

## SECRETARY

For Director of busy international professional association SW1. This is an interesting job in a small office for a bright reliable person with good office experience and initiative who is prepared to take an active and responsible part in assisting the Director with the administration of this organisation which has worldwide membership. Audio and neat typing presentation are essential as well as ability to handle routine correspondence and office duties without supervision. Knowledge of a European language would be advantageous. Salary £5,750, L.V.s, 20 days holiday p.a. Please write with full details to: The Executive Director (Appointments), International Bank Association, Byron House, 7-9 St. James' St., London, SW1.

## MAYFAIR PROPERTY COMPANY

Seeks intelligent, capable P.A./Secretary with good secretarial skills for one of their Directors. Own office with IBM self-correcting typewriter. Knowledge of German useful, but not essential. Starting salary £5,500 p.a. 4 weeks' annual holiday. College leaver considered.

Please call Alexandra Hilkema 409 1457

## TWO AT SEVEN!

M.D. Large Int. Co. with offices world-wide needs a P.A. Sec. £5,350 p.a. who has minimum 10 years' exp. 60, flag for organisation. Free for occasional travel. Own office. 25-30 hrs. week. Superb fringe benefits include mortgage facilities. A.L.P.A., etc.

ADMIN. P.A./SEC. 25-30, formal skills minimum 100, P.A. Sec. £5,350 p.a. who has minimum 10 years' exp. 60, flag for organisation. Free for occasional travel. Own office. 25-30 hrs. week. Superb fringe benefits include mortgage facilities. A.L.P.A., etc.

JOYCE GUINNESS BUREAU 21 Brunton Road, Kensington, W.8 3JL (01-588 8007/0010)

THE recruitment consultants

## VICTORIA £7,000

A Secretary/P.A. is required to work for a well-known international company. Financial Controller of this multi-national company. Age 25-35. Speeds 100/60.

## SPORTS PROMOTION W.1

This sports celebrity needs an enthusiastic Secretary/P.A. to set up and run a brand new sports exhibition company and assist him in the organisation of the exhibition. Salary £5,500 p.a. 22-40. Speeds 100/60. ANGELA MORTIMER LTD. Recruitment Consultants 429 9886 144 Piccadilly

## Stella Fisher IN THE STRAND

P.A. TO PERSONNEL OFFICER £5,500 p.a. + mortgage. Young person with maturity to assist in the recruitment of staff. Excellent benefits. W.C.2. Typing essential. This job is mainly organising and also involves responsibility for some recruitment.

Stella Fisher Bureau 710 Strand, W.C.2. 01-836 6644 Recruitment Consultants

## SECRETARY/PA WEST END CONSULTANCY

Small, friendly but very busy consultancy requires mature, enthusiastic Secretary/P.A. with good organisational skills. Responsibilities include helping two Directors, assisting in preparation of reports, office administration, etc. Excellent training for use of word processor available. Part optional. Good salary. AAE. Ring Joanne on 01-486 6277

## DIRECTOR'S SECRETARY £7,000 W.1

Board level experience in a large company preferred. Spreads 110 w.p.m. and 60 typ. If you are 25-35 and could deal with a steady flow of dictation in addition to other confidential P.A. duties, please call me for further information. Pam Greenwood. 429 7872

## KENTCOM Recruitment Consultants

## SECRETARY/PERSONAL ASSISTANT TO CHIEF EXECUTIVE PROPERTY AND INVESTMENT MANAGEMENT COMPANY S.W.1

The newly appointed Chief Executive requires help in taking over responsibilities previously carried out by professional advisors and in setting up comprehensive records.

Applicants must have a wide breadth of secretarial and administrative experience (including telex, shorthand, typing and audio) at senior level, with an appreciation of and a willingness to work with figures, and deal with individuals of high financial standing.

The team is small and applicants must be willing to support the day to day running of a total office functioning at all levels as necessary. A high standard of personal appearance and discretion is a prerequisite. Salary for discussion from £7,000.

Applications to: D. S. A. Johnson, 200 Sloane Street, London, S.W.1.



## LAURA ASHLEY

have a vacancy for Assistant Manager/ess in their busy Home Furnishing Shop at 183 Sloane Street, London.

This job involves all aspects of managing our high-turnover shop, working closely with our new and extensive 1.51 Home Furnishing collection. Experience in interior design is preferable, and applicants must have had reputable experience in management, involving motivation and direction of staff. Please apply in writing with C.V. to: Miss Pat Lewis, Laura Ashley Ltd., 49 Temperley Road, Baltham, London SW12 0EL, or telephone 01-875 5411.

## Career Opportunity

### Commodities—Bilingual Secretary

Director of an international City commodity company requires a first-class bilingual Secretary. Preferably French, who would also be trained in all aspects of commodity trading to become a back-up assistant to the traders. This position is ideally suited to a dynamic, efficient, career-minded person. The company offers a competitive salary for someone aged 25-30 years with good educational background.

Please ring Mrs. Gratton on 01-623 3131 for application form.

## British Olympic Association

### P.A. to General Secretary

required for W.1 office. Good shorthand typing and general administrative skills required as well as ability to compile reports and minutes. Interest in sport an advantage. Salary negotiable according to age and experience.

For further details phone 01-408 2029 or write to Gen. Sec., BOA, 1/2 John Prince St., London, W.1.

## REAL P.A. OPPORTUNITY IN COBBHAM

Director of successful marketing company requires an assistant immediately. Some secretarial duties are involved but you will spend most of your time working on your own very interesting projects, which will give you genuine responsibility. You must be really intelligent, hard working and ambitious so that we can train you to become a real contributor to our business. Friendly informal working environment, free lunches and lovely surroundings. Telephone Lda Jones on Cobham 318 for an application form and details.

## BILINGUAL P.A. BERKSHIRE

The Head Office of this International Company is in Paris. You will be expected to converse easily in English and French and accept a good deal of responsibility. You'll have your own very pleasant office, excellent benefits and a holiday. Good shorthand essential. Telephone: Misses Chapman 173 New Bond Street W1Y 9PP 01-499 0082-01-499 9507

## SENIOR SECRETARIES

173 New Bond Street W1Y 9PP 01-499 0082-01-499 9507

## INTERNATIONAL TRADE

Up to £6,500 + profit share. Excellent opportunity to join an international trading company as Commercial Assistant/Secretary at Director level. Good telephone manner and a desire to branch out into trading essential. Good secretarial skills are required together with some experience of the petroleum industry. Please call Ann Beck, 58-60 Hemsland, E.C.3.

## Graduate Girls Secretarial

01-621 0566

## SECRETARY P.A. KEW

Flair, ability, initiative, excellent admin. experience for M.D. of plastic design manufacturers located beautiful Kew. Excellent remuneration negotiable. Telephone 01-878 1284 Piazish Ltd.

## KATZ VAUGHAN MEYER AND FELTHAM

require

## SECRETARY

To work in their West End office of writing in an architectural firm. Please phone 734 5401 for interview.

## KNIGHTSBRIDGE ESTATE AGENTS

require NEGOTIATOR

Experience preferred. Must be hardworking, energetic, good with people. Salary plus commission by arrangement. Good prospects. Min. age 23. Apply in writing with C.V. to Box No. 2921 F, The Times.

## SEC. TO DIRECTOR UP TO £4,000

The Corporate Development Director of Haden Carter needs an efficient Secretary who has good Spanish (60/100) and an interest in corporate research. You should be between 25-35, smart and have a pleasant personality.

At one of the world's leading environmental engineering organisations, we have comfortable offices near Euston and King's Cross stations. Benefits include staff restaurant, pension scheme and excellent career prospects. For details phone Jean Perry on 01-257 5551, or write to: Personnel Office, Haden Carter, 222 Tottenham Court Road, W1N 4LT.

## SECRETARY

£5,000pa-Chelsea

If you have a bright, positive and methodical approach here's the opportunity to work for key personnel in a young progressive retail group where time and effort is well rewarded. With your excellent secretarial and administrative skills further your career by contacting: Mr. Sherlock, Personnel Office, Underwoods, on 581 1481 today.



appears every day and is featured on Wednesdays and Thursdays or details ring 01-278 9161











